



Overstrand Municipality
Financial statements
for the year ended 30 June 2015

**OVERSTRAND MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2015

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 76, in terms of Section 126(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statement are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Handwritten signature of CC Groenhewald in black ink, written over a horizontal line.

CC Groenhewald

Municipal Manager

25 November 2015

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

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Financial Statements for the year ended 30 June 2015

Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014 Restated*
Assets			
Current Assets			
Inventories	10	10,425,770	13,131,189
Operating lease asset		708,708	761,954
Receivables from exchange transactions	11	22,993,268	26,406,569
Receivables from non-exchange transactions	12	26,108,867	19,402,828
VAT receivable	13	6,356,063	5,944,086
Consumer debtors	14	52,849,568	47,589,752
Long term receivables	9	15,106	14,785
Cash and cash equivalents	15	104,986,783	63,158,415
		224,444,133	176,409,578
Non-Current Assets			
Investment property	3	159,760,500	168,830,500
Property, plant and equipment	4	3,020,151,793	3,023,130,778
Intangible assets	5	4,762,475	5,220,007
Heritage assets	6	97,573,044	99,573,044
Investments	7	23,148,842	16,965,036
Long term receivables	9	53,303	68,205
		3,305,449,957	3,313,787,570
Total Assets		3,529,894,090	3,490,197,148
Liabilities			
Current Liabilities			
Borrowings	18	23,539,168	20,380,859
Finance lease obligation	16	80,454	62,622
Payables from exchange transactions	20	63,759,416	61,261,694
Consumer deposits	21	41,743,135	37,760,495
Employee benefit obligation	8	2,344,462	2,173,716
Unspent conditional grants and receipts	17	2,076,317	3,425,499
Provisions	19	21,594,980	23,071,737
		155,137,932	148,136,622
Non-Current Liabilities			
Borrowings	18	408,904,414	392,443,635
Finance lease obligation	16	59,968	-
Employee benefit obligation	8	107,289,538	95,534,792
Provisions	19	85,937,441	32,991,999
		602,191,361	520,970,426
Total Liabilities		757,329,293	669,107,048
Net Assets		2,772,564,797	2,821,090,100
Reserves			
Housing development fund		2,571,034	2,564,844
Accumulated surplus		2,769,993,763	2,818,525,256
Total Net Assets		2,772,564,797	2,821,090,100

* See Note 43

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	520,391,938	479,034,243
Rental of facilities and equipment		9,154,551	7,649,756
Income from agency services		2,766,122	2,394,759
Licences and permits		1,971,690	1,955,766
Other income	26	20,332,541	16,626,478
Interest received	31	10,422,699	8,470,109
Total revenue from exchange transactions		565,039,541	516,131,111
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	152,870,211	134,986,496
Property rates - penalties imposed	22	747,186	836,998
Transfer revenue			
Government grants and subsidies	24	115,970,498	105,925,162
Public contributions and donations	25	2,823,925	13,436,150
Fines	12	25,389,497	17,215,724
Total revenue from non-exchange transactions		297,801,317	272,400,530
Total revenue		862,840,858	788,531,641
Expenditure			
Employee costs	28	(267,019,164)	(260,249,932)
Remuneration of councillors	29	(8,103,624)	(7,932,511)
Depreciation and amortisation	33	(103,368,102)	(99,817,042)
Impairment loss / Reversal of impairments		(3,077,214)	-
Finance costs	34	(43,447,046)	(39,937,722)
Debt impairment	30	(10,846,067)	(4,953,360)
Materials		(16,659,118)	(13,579,233)
Bulk purchases	38	(167,659,838)	(157,055,063)
Contracted services	36	(85,327,401)	(72,766,234)
Grants and subsidies paid	37	(48,658,945)	(38,749,289)
General expenses	27	(156,906,356)	(117,562,430)
Total expenditure		(911,072,875)	(812,602,816)
Operating deficit		(48,232,017)	(24,071,175)
Gain (loss) on disposal of assets and liabilities		1,953,041	(12,017,434)
Fair value adjustments	32	(3,566,195)	(6,991,105)
		(1,613,154)	(19,008,539)
Deficit for the year		(49,845,171)	(43,079,714)

* See Note 43

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Statement of Changes in Net Assets

Figures in Rand	Housing development fund	Accumulated surplus	Total net assets
Opening balance at 01 July 2013 as previously reported	1,891,493	2,849,634,456	2,851,525,949
Adjustments			
Prior year adjustments	-	11,350,706	11,350,706
Balance at 01 July 2013 restated*	1,891,493	2,860,985,162	2,862,876,655
Changes in net assets			
(Deficit) / surplus for the year	-	(43,079,714)	(43,079,714)
Transfer to / (from) housing development fund	673,351	-	673,351
Transfer to / (from) self insurance fund	-	619,808	619,808
Total changes	673,351	(42,459,906)	(41,786,555)
Opening balance at 01 July 2014 as previously reported	2,564,844	2,805,239,737	2,807,804,581
Adjustments			
Prior year adjustments	-	13,285,525	13,285,525
Balance at 01 July 2014 restated*	2,564,844	2,818,525,262	2,821,090,106
Changes in net assets			
(Deficit) / surplus for the year	-	(49,845,171)	(49,845,171)
Transfer to / (from) housing development fund	6,190	-	6,190
Transfer to / (from) self insurance fund	-	1,313,672	1,313,672
Total changes	6,190	(48,531,499)	(48,525,309)
Balance at 30 June 2015	2,571,034	2,769,993,763	2,772,564,797

* See Note 43

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand

	Note(s)	2015	2014 Restated*
Cash flows from operating activities			
Receipts			
Taxation		152,186,188	135,054,434
Sale of goods and services		521,174,333	486,809,424
Grants		114,621,316	101,567,338
Interest income		10,422,699	8,470,109
Other receipts		58,158,495	55,103,238
Movement in housing development fund and self insurance fund		1,319,862	1,293,159
		857,882,893	788,297,702
Payments			
Employee costs		(255,093,672)	(244,461,424)
Suppliers		(167,659,838)	(157,055,063)
Finance costs		(43,433,321)	(39,867,913)
Other payments		(268,235,482)	(267,799,476)
		(734,422,313)	(709,183,876)
Net cash flows from operating activities	39	123,460,580	79,113,826
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(110,744,087)	(128,414,197)
Proceeds from sale of property, plant and equipment	4	7,548,302	5,072,932
Purchase of investment property	3	-	(795,000)
Proceeds from sale of investment property	3	5,000,000	-
Purchase of intangible assets	5	(154,170)	(1,400,190)
Proceeds from sale of heritage assets	6	2,000,000	-
Movement in financial assets		(4,980,001)	(4,528,851)
Movement in long term receivables		14,581	18,013
Net cash flows from investing activities		(101,315,375)	(130,047,293)
Cash flows from financing activities			
Movement in other financial liabilities		19,619,088	30,674,210
Movement in finance leases		64,075	(729,624)
Net cash flows from financing activities		19,683,163	29,944,586
Net increase/(decrease) in cash and cash equivalents		41,828,368	(20,988,881)
Cash and cash equivalents at the beginning of the year		63,158,415	84,147,296
Cash and cash equivalents at the end of the year	15	104,986,783	63,158,415

* See Note 43

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer to note
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	525,566,730	-	525,566,730	520,391,938	(5,174,792)	54
Rental of facilities and equipment	7,966,160	-	7,966,160	9,154,551	1,188,391	54
Income from agency services	2,479,500	-	2,479,500	2,766,122	286,622	54
Licences and permits	2,229,000	-	2,229,000	1,971,690	(257,310)	54
Other income	21,616,640	(4,784,000)	16,832,640	20,332,541	3,499,901	54
Interest received	8,454,250	-	8,454,250	10,422,699	1,968,449	54
Total revenue from exchange transactions	568,312,280	(4,784,000)	563,528,280	565,039,541	1,511,261	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	148,639,614	4,869,000	153,508,614	152,870,211	(638,403)	54
Property rates - penalties imposed	1,050,000	-	1,050,000	747,186	(302,814)	54
Transfer revenue						
Government grants and subsidies	92,640,829	24,145,934	116,786,763	115,970,498	(816,265)	54
Public contributions and donations	2,134,088	(83,088)	2,051,000	2,823,925	772,925	54
Fines	7,965,000	22,910,000	30,875,000	25,389,497	(5,485,503)	54
Total revenue from non-exchange transactions	252,429,531	51,841,846	304,271,377	297,801,317	(6,470,060)	
Total revenue	820,741,811	47,057,846	867,799,657	862,840,858	(4,958,799)	
Expenditure						
Employee costs	(280,066,246)	4,349,615	(275,716,631)	(267,019,164)	8,697,467	54
Remuneration of councillors	(8,515,532)	-	(8,515,532)	(8,103,624)	411,908	54
Depreciation and amortisation	(109,265,432)	3,804,335	(105,461,097)	(103,368,102)	2,092,995	54
Impairment loss/ Reversal of impairments	-	-	-	(3,077,214)	(3,077,214)	54
Finance costs	(45,162,306)	651,707	(44,510,599)	(43,447,046)	1,063,553	54
Debt impairment	-	(22,792,000)	(22,792,000)	(10,846,067)	11,945,933	54
Materials	(17,294,922)	189,766	(17,105,156)	(16,659,118)	446,038	54
Bulk purchases	(169,444,224)	-	(169,444,224)	(167,659,838)	1,784,386	54
Contracted services	(81,062,123)	(4,108,603)	(85,170,726)	(85,327,401)	(156,675)	54
Grants and subsidies paid	(41,370,338)	(207,117)	(41,577,455)	(48,658,945)	(7,081,490)	54
General expenses	(117,407,326)	(45,621,591)	(163,028,917)	(156,906,356)	6,122,561	54
Total expenditure	(869,588,449)	(63,733,888)	(933,322,337)	(911,072,875)	22,249,462	
Operating deficit	(48,846,638)	(16,676,042)	(65,522,680)	(48,232,017)	17,290,663	
Gain on disposal of assets and liabilities	100,000	-	100,000	1,953,041	1,853,041	54
Fair value adjustments	-	-	-	(3,566,195)	(3,566,195)	54
	100,000	-	100,000	(1,613,154)	(1,713,154)	
Deficit before taxation	(48,746,638)	(16,676,042)	(65,422,680)	(49,845,171)	15,577,509	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(48,746,638)	(16,676,042)	(65,422,680)	(49,845,171)	15,577,509	

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Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer to note
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	12,092,038	(1,000,000)	11,092,038	10,425,770	(666,268)	54
Operating lease asset	-	-	-	708,708	708,708	54
Receivables from exchange transactions	44,398,213	11,000,000	55,398,213	22,993,268	(32,404,945)	54
Receivables from non-exchange transactions	-	-	-	26,108,867	26,108,867	54
VAT receivable	-	-	-	6,356,063	6,356,063	54
Consumer debtors	52,591,265	-	52,591,265	52,849,568	258,303	54
Long term receivables	14,303	-	14,303	15,106	803	54
Cash and cash equivalents	88,050,033	1,370,793	89,420,826	104,986,783	15,565,957	54
	197,145,852	11,370,793	208,516,645	224,444,133	15,927,488	
Non-Current Assets						
Investment property	175,866,200	(11,365,700)	164,500,500	159,760,500	(4,740,000)	54
Property, plant and equipment	3,072,422,733	68,368,472	3,140,791,205	3,020,151,793	(120,639,412)	54
Intangible assets	6,426,005	(1,205,998)	5,220,007	4,762,475	(457,532)	54
Heritage assets	-	-	-	97,573,044	97,573,044	54
Investments	22,206,902	-	22,206,902	23,148,842	941,940	54
Long term receivables	57,257	-	57,257	53,303	(3,954)	54
	3,276,979,097	55,796,774	3,332,775,871	3,305,449,957	(27,325,914)	
Non-current assets held for sale	39,500,000	(39,500,000)	-	-	-	
Total Assets	3,513,624,949	27,667,567	3,541,292,516	3,529,894,090	(11,398,426)	
Liabilities						
Current Liabilities						
Borrowings	25,105,303	(41,690)	25,063,613	23,539,168	(1,524,445)	54
Finance lease obligation	-	-	-	80,454	80,454	54
Payables from exchange transactions	55,830,743	(5,268,214)	50,562,529	63,759,416	13,196,887	54
Consumer deposits	41,321,458	-	41,321,458	41,743,135	421,677	54
Employee benefit obligation	-	-	-	2,344,462	2,344,462	54
Unspent conditional grants and receipts	-	-	-	2,076,317	2,076,317	54
Provisions	31,591,673	4,573,899	36,165,572	21,594,980	(14,570,592)	54
	153,849,177	(736,005)	153,113,172	155,137,932	2,024,760	
Non-Current Liabilities						
Borrowings	411,766,182	1,062,450	412,828,632	408,904,414	(3,924,218)	54
Finance lease obligation	-	-	-	59,968	59,968	54
Employee benefit obligation	-	-	-	107,289,538	107,289,538	54
Provisions	137,500,670	43,378,002	180,878,672	85,937,441	(94,941,231)	54
	549,266,852	44,440,452	593,707,304	602,191,361	8,484,057	
Total Liabilities	703,116,029	43,704,447	746,820,476	757,329,293	10,508,817	
Net Assets	2,810,508,920	(16,036,880)	2,794,472,040	2,772,564,797	(21,907,243)	
Reserves						
Housing development fund	1,933,682	639,162	2,572,844	2,571,034	(1,810)	54
Accumulated surplus	2,808,575,238	(16,676,042)	2,791,899,196	2,769,993,763	(21,905,433)	54
Total Net Assets	2,810,508,920	(16,036,880)	2,794,472,040	2,772,564,797	(21,907,243)	

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Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer to note
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Taxation	148,254,497	4,860,247	153,114,744	152,186,188	(928,556)	54
Sale of goods and services	526,910,364	8,493	526,918,857	521,174,333	(5,744,524)	54
Grants	94,774,917	24,062,847	118,837,764	114,621,316	(4,216,448)	54
Interest income	8,454,250	-	8,454,250	10,422,699	1,968,449	54
Other receipts	44,380,845	19,926,122	64,306,967	58,158,495	(6,148,472)	54
Movement in housing development fund and self insurance fund	-	-	-	1,319,862	1,319,862	54
	822,774,873	48,857,709	871,632,582	857,882,893	(13,749,689)	
Payments						
Employee costs	(276,233,074)	18,384,443	(257,848,631)	(255,093,672)	2,754,959	54
Suppliers	(169,444,224)	-	(169,444,224)	(167,659,838)	1,784,386	54
Finance costs	(45,162,306)	682,432	(44,479,874)	(43,433,321)	1,046,553	54
Other payments	(249,217,579)	(21,262,782)	(270,480,361)	(268,235,482)	2,244,879	54
	(740,057,183)	(2,195,907)	(742,253,090)	(734,422,313)	7,830,777	
Net cash flows from operating activities	82,717,690	46,661,802	129,379,492	123,460,580	(5,918,912)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(97,720,534)	(25,064,137)	(122,784,671)	(110,744,087)	12,040,584	54
Proceeds from sale of property, plant and equipment	-	-	-	7,548,302	7,548,302	54
Proceeds from sale of investment property	-	-	-	5,000,000	5,000,000	54
Purchase of intangible assets	-	-	-	(154,170)	(154,170)	54
Proceeds from sale of heritage assets	-	-	-	2,000,000	2,000,000	54
Movement in financial assets	(5,827,442)	-	(5,827,442)	(4,980,001)	847,441	54
Movement in long term receivables	15,023	-	15,023	14,581	(442)	54
Net cash flows from investing activities	(103,532,953)	(25,064,137)	(128,597,090)	(101,315,375)	27,281,715	
Cash flows from financing activities						
Movement in other financial liabilities	18,938,828	-	18,938,828	19,619,088	680,260	54
Movement in finance lease obligation	5,520,422	1,020,759	6,541,181	64,075	(6,477,106)	54
Net cash flows from financing activities	24,459,250	1,020,759	25,480,009	19,683,163	(5,796,846)	
Net increase/(decrease) in cash and cash equivalents	3,643,987	22,618,424	26,262,411	41,828,368	15,565,957	54
Cash and cash equivalents at the beginning of the year	84,406,046	(21,247,631)	63,158,415	63,158,415	-	54
Cash and cash equivalents at the end of the year	88,050,033	1,370,793	89,420,826	104,986,783	15,565,957	

OVERSTRAND MUNICIPALITY

Financial Statements for the year ended 30 June 2015

Appropriation Statement

Figures in Rand	2015						2014								
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Final Adjustment Budget	Shifting of Funds S31 of MFMA	Virement Rvalue (i.t.o. council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised to s32 of MFMA	Balance to be recovered	Restated outcome
Financial Performance															
Property rates	148,639,614	4,869,000	153,508,614	-	-	153,508,614	152,870,211		(638,403)	100%	103%				134,986,496
Service charges	525,566,730	-	525,566,730	-	-	525,566,730	520,391,938		(5,174,792)	99%	99%				479,034,243
Investment Revenue	8,454,250	-	8,454,250	-	-	8,454,250	10,422,699		1,968,449	123%	123%				8,470,109
Transfers recognised - Operational	58,407,000	2,882,031	61,289,031	-	-	61,289,031	60,472,766		(816,265)	99%	104%				67,835,315
Other own revenue	43,406,300	18,126,000	61,532,300	-	-	61,532,300	63,866,852		2,334,552	104%	147%				51,130,976
Total Revenue (excl. capital transfers and contributions)	784,473,894	25,877,031	810,350,925	-	-	810,350,925	808,024,466		(2,326,459)	100%	103%				741,457,139
Employee costs	(280,066,246)	3,849,615	(276,216,631)	-	500,000	(275,716,631)	(267,019,164)		8,697,467	97%	95%				(260,249,932)
Remuneration of councillors	(8,515,532)	-	(8,515,532)	-	-	(8,515,532)	(8,103,624)		411,908	95%	95%				(7,932,511)
Debt Impairment	-	(22,792,000)	(22,792,000)	-	-	(22,792,000)	(10,846,067)		11,945,933	48%	0%				(4,953,360)
Depreciation and asset impairment	(109,265,432)	3,804,335	(105,461,097)	-	-	(105,461,097)	(106,445,316)		(984,219)	101%	97%				(99,817,042)
Finance charges	(45,162,306)	682,432	(44,479,874)	-	(30,725)	(44,510,599)	(43,447,046)		1,063,553	98%	96%				(39,937,722)
Bulk purchases	(169,444,224)	-	(169,444,224)	-	-	(169,444,224)	(167,659,838)		1,784,386	99%	99%				(157,055,063)
Transfers and grants	(41,370,338)	(298,117)	(41,668,455)	-	91,000	(41,577,455)	(48,658,945)		(7,081,490)	117%	118%				(38,749,289)
Other expenditure	(215,764,371)	(48,980,154)	(264,744,525)	-	(560,275)	(265,304,800)	(262,459,069)		2,845,731	99%	122%				(222,916,429)
Total Expenditure	(669,588,449)	(63,733,889)	(733,322,338)	-	-	(733,322,338)	(714,639,069)		18,683,269	98%	105%				(631,611,348)
Surplus (Deficit)	(85,114,555)	(37,856,859)	(122,971,413)	-	-	(122,971,413)	(106,614,603)		16,356,810	87%	125%				(90,154,209)
Transfers recognised - capital	34,233,829	21,263,904	55,497,733	-	-	55,497,733	55,497,732		(1)	100%	162%				38,089,847
Contributions recognised - capital and contributed assets	2,134,088	(83,088)	2,051,000	-	-	2,051,000	1,271,701		(779,299)	62%	60%				8,984,655
Surplus/(Deficit) after capital transfers and contributions	(48,746,638)	(16,676,042)	(65,422,680)	-	-	(65,422,680)	(49,845,171)		15,577,510	76%	102%				(43,079,714)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-	0%	0%				-
Surplus (Deficit) for the year	(48,746,638)	(16,676,042)	(65,422,680)	-	-	(65,422,680)	(49,845,171)		15,577,510	76%	102%				(43,079,714)
Capital expenditure and funds sources															
Total capital expenditure	97,720,534	25,064,137	122,784,671	-	-	122,784,671	108,490,072		(14,294,599)	88%	111%				
Sources of capital funds															
Transfers recognised - capital	35,233,829	21,263,904	56,497,733	-	-	56,497,733	55,733,716		(764,017)	99%	158%				
Public contributions and donations	1,134,088	801,439	1,935,527	-	-	1,935,527	607,035		(1,328,492)	31%	54%				
Borrowing	46,922,700	1,846,943	48,769,643	-	-	48,769,643	39,011,712		(9,757,931)	80%	83%				
Internally generated funds	14,429,917	1,151,851	15,581,768	-	-	15,581,768	13,137,609		(2,444,159)	84%	91%				
Total sources of capital funds	97,720,534	25,064,137	122,784,671	-	-	122,784,671	108,490,072		(14,294,599)	88%	111%				
Cash flows															
Net cash from (used) operating	80,014,418	46,661,801	126,676,219	-	-	126,676,219	123,460,580		(3,215,639)	97%	154%				
Net cash from (used) investing	(103,532,953)	(25,064,137)	(128,597,090)	-	-	(128,597,090)	(101,315,375)		27,281,715	79%	98%				
Net cash from (used) financing	27,162,522	1,020,760	28,183,282	-	-	28,183,282	19,663,163		(8,500,119)	70%	72%				
Net increase/(decrease) in cash and cash equivalents	3,643,987	22,618,424	26,262,411	-	-	26,262,411	41,828,368		15,565,957	159%	1148%				
Cash and Cash equivalents at the beginning of the year	84,406,046	(21,247,631)	63,158,415	-	-	63,158,415	63,158,415		-	100%	75%				
Cash/cash equivalents at the year end	88,050,033	1,370,783	89,420,826	-	-	89,420,826	104,986,783		15,565,957	117%	119%				

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act no. 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The financial statements have been prepared on a going-concern basis.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Useful lives of infrastructure and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Receivables from non-exchange transactions

Management made key assumptions and estimations to determine the initial recognition and measurement of revenue on fines using estimated reductions based on historical information.

Accounting Policies

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold in the ordinary course of operations are classified as Investment Properties.
- Land held for currently undetermined future use.
- Leases properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as Investment Properties. The rental revenue generated is incidental to the purposes for which the property is held.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life in years
Buildings	5 - 30
Furniture and fixtures	3 - 15
Motor vehicles	4 - 10
Office equipment	3 - 15
Infrastructure	
• Road and paving	3 - 60
• Pedestrian malls	25 - 80
• Electricity	3 - 60
• Water	5 - 100
• Sewerage	10 - 60
• Housing	30
Community	
• Improvements	5 - 30
• Recreational facilities	5 - 30
• Security	5 - 15
Bins and containers	10 - 15

The residual value, the useful life and depreciation method of each asset are reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.5 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life in years
Computer software, other	2 - 5

1.6 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

The Municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified a Heritage Assets. Furthermore land with a natural significance is not componentised but seen as a single Heritage asset due to all parts contributing together to make up its significance.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.6 Heritage assets (continued)

Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Operating lease assets	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
VAT receivable	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Accounting Policies

1.7 Financial instruments (continued)

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.9 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value or the lower of cost and current replacement cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Low cost housing properties are subsequently valued at the lower of cost and current replacement cost. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.10 Impairment of cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.11 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Accounting Policies

1.12 Employee benefits (continued)

Multi-employer plans are defined contribution plans under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to the fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued at least bi-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

These post-retirement health care benefits are actuarially valued at least bi-annually on the Projected Unit Credit Method basis.

1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.13 Provisions and contingencies (continued)

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption from the first reading after the reporting date.

Revenue from the sale of pre-paid electricity units is recognised when the risks and rewards of ownership has passed to the buyer.

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, commencing on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has a water connection. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are charged on both vacant and developed property using the tariffs approved from Council and are levied monthly.

Interest and other revenue

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

1.15 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assesses the collectability of the revenue and recognises a separate impairment loss, where appropriate.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Overstrand Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Services in-kind

Services in-kind are not recognised.

1.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- overspending of the total amount appropriated in the municipality's approved budget
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with this Act;

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

According to section 1 of the MFMA: "irregular expenditure", in relation to a municipality or municipal entity, means -

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act and which has not been condoned in terms of section 170; or
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act and which has not been condoned in terms of that Act; or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Accounting Policies

1.20 Irregular expenditure (continued)

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debtor's account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the council may write off the amount and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

1.22 Internal reserves

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

1.23 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2014/07/01 to 2015/06/30.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

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Financial Statements for the year ended 30 June 2015

Accounting Policies

1.24 Related parties

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.25 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.26 Events after reporting date

Events after reporting date that are classified as adjusting events are accounted for in the annual financial statements. The events after reporting date that are classified as non-adjusting events are disclosed in the notes to the annual financial statements.

1.27 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.28 Standards issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18	Segment reporting - issued March 2005
GRAP 32	Service concession arrangements: Grantor - issued August 2013
GRAP 108	Statutory receivables - issued September 2013
GRAP 109	Accounting by Principals and Agents - issued July 2015

Application of all the above GRAP standards will be effective from the date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 allows for the municipality to apply the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of GRAP 3 on Accounting policies, Changes in accounting estimates and Errors.

The municipality applied the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with the following transactions, but have not early adopted these standards:

GRAP 20	Related parties - issued June 2011
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Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

Overstrand Municipality

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2. Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- GRAP 100 Discontinued operations

During the year, the municipality changed its accounting policy with respect to the treatment of non-current assets held for sale. The measurement, presentation and disclosure requirements relating to non-current assets held for sale were withdrawn. Refer to note 43 for more detail.

3. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	159,760,500	-	159,760,500	168,830,500	-	168,830,500

Reconciliation of investment property - 2015

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	168,830,500	(4,300,000)	(4,770,000)	159,760,500

Reconciliation of investment property - 2014

	Opening balance	Additions	Fair value adjustments	Total
Investment property	175,866,200	795,000	(7,830,700)	168,830,500

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Revenue earned on Investment properties during the period under review was R333,888 (2013/14 : R342,264).

Investment properties are adjusted to their fair value on an annual basis. The valuations are performed by Boland Valuers, independent valuers who are not connected to the municipality.

4. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	351,144,514	(425,208)	350,719,306	355,127,927	(425,208)	354,702,719
Buildings	137,155,357	(32,427,428)	104,727,929	136,543,588	(27,006,096)	109,537,492
Infrastructure	5,220,939,785	(2,767,648,332)	2,453,291,453	5,134,973,560	(2,684,357,379)	2,450,616,181
Community	103,388,429	(38,619,821)	64,768,608	98,455,082	(35,640,724)	62,814,358
Other	84,250,038	(37,796,774)	46,453,264	79,844,947	(34,475,920)	45,369,027
Leased equipment	304,213	(112,980)	191,233	139,288	(48,287)	91,001
Total	5,897,182,336	(2,877,030,543)	3,020,151,793	5,805,084,392	(2,781,953,614)	3,023,130,778

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Impairment loss	Total
Land	354,702,719	645,510	(3,034,727)	(1,594,196)	-	-	-	350,719,306
Buildings	109,537,492	994,891	(463,333)	311,878	-	(5,652,999)	-	104,727,929
Infrastructure	2,450,616,181	39,567,053	(1,509,164)	-	56,645,434	(88,950,837)	(3,077,214)	2,453,291,453
Community	62,814,358	682,159	(996,109)	(311,878)	5,563,067	(2,982,989)	-	64,768,608
Other	45,369,027	6,481,048	(291,928)	-	-	(5,104,883)	-	46,453,264
Leased equipment	91,001	164,925	-	-	-	(64,693)	-	191,233
	3,023,130,778	48,535,586	(6,295,261)	(1,594,196)	62,208,501	(102,756,401)	(3,077,214)	3,020,151,793

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	346,642,183	9,085,541	(1,025,005)	-	-	-	354,702,719
Buildings	112,595,980	1,493,665	-	1,056,335	-	(5,608,488)	109,537,492
Infrastructure	2,448,281,519	86,185,879	(15,404,959)	(1,056,335)	18,167,465	(85,557,388)	2,450,616,181
Community	58,782,724	1,182,959	-	-	5,809,281	(2,960,606)	62,814,358
Other	43,635,175	6,489,407	(660,402)	735,706	-	(4,830,859)	45,369,027
Leased equipment	1,057,636	-	-	(735,706)	-	(230,929)	91,001
	3,010,995,217	104,437,451	(17,090,366)	-	23,976,746	(99,188,270)	3,023,130,778

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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5. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4,559,619	(2,157,144)	2,402,475	4,405,449	(1,545,442)	2,860,007
Water rights	2,360,000	-	2,360,000	2,360,000	-	2,360,000
Total	6,919,619	(2,157,144)	4,762,475	6,765,449	(1,545,442)	5,220,007

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,860,007	154,170	(611,702)	2,402,475
Water rights	2,360,000	-	-	2,360,000
	5,220,007	154,170	(611,702)	4,762,475

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,088,587	1,400,190	(628,770)	2,860,007
Water rights	2,360,000	-	-	2,360,000
	4,448,587	1,400,190	(628,770)	5,220,007

Other information

Intangible assets with indefinite lives:

Water rights	2,360,000	2,360,000
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The municipality entered into a contract with Kraai Bosch Plase (Pty) Ltd on 28 May 1999. The useful life of the water right is considered to be indefinite as the contract does not define when the municipality will cease to enjoy the right to use the water from the Kraaibosch dam. There is no reason to believe that the right to the Kraaibosch dam has a limited useful life due to the condition of the dam. Regular assessments are performed to determine whether the conditions that existed at the inception of the contract have changed.

Time and Attendance software	708,570	567,321
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The municipality entered into a contract with Bytes Systems Integration on 7 November 2014. The useful life of the software is considered to be indefinite as the contract does not define when the municipality will cease to enjoy the right to use the software. There is no reason to believe that the right to the software has a limited useful life due to the condition thereof. Regular assessments are performed to determine whether the conditions that existed at the inception of the contract have changed.

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6. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	105,906,535	(9,250,000)	96,656,535	107,906,535	(9,250,000)	98,656,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309	99,309	-	99,309
Recreational parks	817,200	-	817,200	817,200	-	817,200
Total	106,823,044	(9,250,000)	97,573,044	108,823,044	(9,250,000)	99,573,044

Reconciliation of heritage assets - 2015

	Opening balance	Disposals	Total
Conservation areas	98,656,535	(2,000,000)	96,656,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	99,573,044	(2,000,000)	97,573,044

Reconciliation of heritage assets - 2014

	Opening balance	Total
Conservation areas	98,656,535	98,656,535
Stamp collections, military insignia, medals, coin	99,309	99,309
Recreational parks	817,200	817,200
	99,573,044	99,573,044

7. Investments

Designated at fair value

Liberty - Sinking funds	21,571,127	15,814,408
Momentum - Sinking fund	1,577,715	1,150,628
	23,148,842	16,965,036

Non-current assets

Designated at fair value	23,148,842	16,965,036
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In determining the recoverability of other financial assets, the Overstrand Municipality considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

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8. Employee benefit obligations

Defined benefit plan

The plan is a post employment health benefit plan.

Post-employment health care benefit plan

The municipality provides certain post-employment health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- LA Health;
- Prosano; - Hosmed;
- Samwumed; and
- Keyhealth

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2014 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa, including projections for the 2015 and 2016 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment health care benefit plan are made up as follows:

In-service members (employees)	367	367
Continuation members (retirees, widowers and orphans)	71	71
	438	438

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(109,634,000)	(97,708,508)
Non-current liabilities	(107,289,538)	(95,534,792)
Current liabilities	(2,344,462)	(2,173,716)
	(109,634,000)	(97,708,508)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	97,708,508	81,920,000
Net expense recognised in the statement of financial performance	11,925,492	15,788,508
	109,634,000	97,708,508

Net expense recognised in the statement of financial performance

Current service cost	5,461,583	4,940,000
Interest cost	8,637,625	6,439,000
Actuarial (gains) losses	298,203	6,445,136
Benefits	(2,471,919)	(2,035,628)
	11,925,492	15,788,508

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8. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.94 %	8.94 %
Medical cost trend rates	7.86 %	7.86 %
Net effective discounted rate	1.00 %	1.00 %

Management assessed the assumptions used and found it to be adequate.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	1% point increase	1% point decrease
Effect on the aggregate of the service cost and interest cost	16,778,058	11,984,327
Effect on defined benefit obligation	127,175,440	95,381,580

Amounts for the current and previous four years are as follows:

	2015 R	2014 R	2013 R	2012 R	2011 R
Defined benefit obligation	109,634,000	97,708,508	81,920,000	73,505,000	63,437,000

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution plans, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

9. Long term receivables

Land sales	-	752
Housing selling scheme	15,531	16,738
Sport clubs	52,878	65,500
	68,409	82,990

Non-current assets

Long term receivables	53,303	68,205
-----------------------	--------	--------

Current assets

Long term receivables	15,106	14,785
	68,409	82,990

In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.

Overstrand Municipality

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10. Inventories

Stores and materials	6,215,900	6,944,368
Work-in-progress - Low cost housing	1,621,387	1,851,413
Low cost housing properties not transferred to beneficiaries	2,177,100	3,912,600
Water	411,383	422,808
	10,425,770	13,131,189

Inventories recognised as an expense during the period:

Water	27,508,942	27,647,556
Stores and materials	9,206,886	8,880,495
Low cost housing	3,559,722	18,119,392
	40,275,550	54,647,443

11. Receivables from exchange transactions ¹

Trade debtors	18,350,220	16,733,329
Prepayments	2,660,657	2,472,249
Deposits	560,813	535,372
Insurance debtor	-	330,178
Other debtors	1,421,578	6,335,441
	22,993,268	26,406,569

In determining the recoverability of receivables from exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

12. Receivables from non-exchange transactions ¹

Fines	17,633,396	10,379,431
Government grants and subsidies	5,578,253	6,265,099
Control accounts - sundry	2,897,218	2,758,298
	26,108,867	19,402,828

In determining the recoverability of receivables from non-exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

Receivables from non-exchange transactions impaired

As of 30 June 2015, other receivables from non-exchange transactions of R 36,791,830 (2014: R 19,869,897) were impaired and provided for.

Revenue from fines recognised for the period amounts to R 25,389,497 (2014: R 17,215,724).

Fines receivable from non-exchange transactions after the provision of impairment amounted to R 17,633,396 (2014: R 10,379,431).

The amount provided for impairment was R 19,158,434 (2014 R 9,490,465)

Analysis of fines past due but not impaired

< 12 months	8,072,874	5,285,322
> 1 year	9,560,522	5,094,109

¹ See Note 14 for further details of receivables from exchange and non-exchange transactions

Overstrand Municipality

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12. Receivables from non-exchange transactions ¹ (continued)

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	9,490,465	4,472,843
Provision for impairment	9,667,969	5,017,622
	19,158,434	9,490,465

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category. The total average non-collectability of fines were 41% (2014: 46%).

The calculation for initial recognition and measurement in respect of fines reduced and or cancelled is based on an assessment of past reduced and or cancelled history of fines per category. The total average estimated reductions used were 21% (2014: 21%).

13. VAT receivable

VAT	6,356,063	5,944,086
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In determining the recoverability of VAT receivable, the Overstrand Municipality considers any change in the credit quality of the VAT receivable from the date the credit was initially granted up to the reporting date.

Overstrand Municipality is registered on the cash/payment basis for VAT.

14. Consumer debtors

Gross balances

Rates	17,240,644	16,569,223
Electricity	14,929,566	14,544,175
Water	14,309,018	12,968,646
Sewerage	8,598,714	8,311,368
Refuse	6,709,826	6,398,769
Property rental	422,798	353,743
Other	7,610,636	4,803,053
	69,821,202	63,948,977

Less: Allowance for impairment

Rates	(4,190,731)	(4,203,333)
Electricity	(3,628,971)	(4,461,826)
Water	(3,478,133)	(3,495,614)
Sewerage	(2,090,113)	(2,110,929)
Refuse	(1,630,976)	(1,635,903)
Property rental	(102,771)	(75,585)
Other	(1,849,939)	(376,035)
	(16,971,634)	(16,359,225)

Net balance

Rates	13,049,913	12,365,890
Electricity	11,300,595	10,082,349
Water	10,830,885	9,473,032
Sewerage	6,508,601	6,200,439
Refuse	5,078,850	4,762,866
Property rental	320,027	278,158
Other	5,760,697	4,427,018
	52,849,568	47,589,752

¹ See Note 14 for further details of receivables from exchange and non-exchange transactions

Overstrand Municipality

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14. Consumer debtors (continued)		
Included in above is receivables from exchange transactions		
Electricity	11,300,595	12,777,349
Water	10,830,885	10,133,032
Sewerage	6,508,601	6,200,440
Refuse	5,078,850	4,762,866
Property rental	320,027	278,158
	34,038,958	34,151,845
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	13,049,913	12,365,890
Other	5,760,698	1,072,018
	18,810,611	13,437,908
Net balance	52,849,569	47,589,753
Rates		
Current (0 -30 days)	9,570,956	9,119,956
31 - 60 days	277,413	308,703
61 - 90 days	173,414	201,022
91 - 120 days	131,798	171,392
121 - 365 days	878,182	912,899
> 365 days	2,018,150	1,651,918
	13,049,913	12,365,890
Electricity		
Current (0 -30 days)	8,276,986	6,825,640
31 - 60 days	189,175	274,408
61 - 90 days	115,705	133,443
91 - 120 days	106,442	96,760
121 - 365 days	557,192	655,729
> 365 days	2,055,095	2,096,369
	11,300,595	10,082,349
Water		
Current (0 -30 days)	6,873,863	6,276,764
31 - 60 days	285,979	411,020
61 - 90 days	173,794	131,429
91 - 120 days	165,507	152,096
121 - 365 days	606,613	675,042
> 365 days	2,725,129	1,826,681
	10,830,885	9,473,032
Sewerage		
Current (0 -30 days)	4,000,536	3,982,651
31 - 60 days	139,522	146,515
61 - 90 days	92,638	110,743
91 - 120 days	73,267	87,846
121 - 365 days	417,266	476,505
> 365 days	1,785,372	1,396,179
	6,508,601	6,200,439

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14. Consumer debtors (continued)		
Refuse		
Current (0 -30 days)	3,246,481	3,243,318
31 - 60 days	103,364	110,394
61 - 90 days	70,112	78,834
91 - 120 days	55,541	64,933
121 - 365 days	350,931	350,010
> 365 days	1,252,421	915,377
	5,078,850	4,762,866
Property rental		
Current (0 -30 days)	114,472	152,110
31 - 60 days	48,700	9,271
61 - 90 days	7,224	5,267
91 - 120 days	6,701	4,321
121 - 365 days	31,184	29,497
> 365 days	111,746	77,692
	320,027	278,158
Other		
Current (0 -30 days)	2,500,838	1,300,493
31 - 60 days	188,332	156,560
61 - 90 days	205,343	364,862
91 - 120 days	205,561	341,236
121 - 365 days	572,205	1,435,365
> 365 days	2,088,418	828,502
	5,760,697	4,427,018
Reconciliation of allowance for impairment		
Balance at beginning of the year	(16,359,225)	(16,915,565)
Debt impairment written off against allowance	639,107	449,073
Contribution / Reversal of allowance	(1,251,516)	107,267
	(16,971,634)	(16,359,225)
15. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	15,680	15,980
Bank balances	78,919,760	13,103,058
Short-term deposits	26,051,343	50,039,377
	104,986,783	63,158,415

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15. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
ABSA - Cheque - 322-000-0035	111,076,235	36,997,660	56,932,992	78,183,378	12,210,480	27,959,806
ABSA - Cheque - 405-589-9787	944	57	235	4,065	5,022	2,485
ABSA - Cheque - 405-642-0921	90,206	65,977	81,327	46,177	81,487	93,290
ABSA - Cheque - 405-657-8021	474,485	563,302	693,477	407,169	438,922	359,548
ABSA - Cheque - 405-298-3157	278,971	367,147	674,390	278,971	367,147	674,391
ABSA Call accounts	26,051,343	50,039,378	30,041,546	26,051,343	50,039,377	30,041,546
Nedbank Call accounts	-	-	25,000,000	-	-	25,000,000
Cash on hand	-	-	-	15,680	15,980	16,230
Total	137,972,184	88,033,521	113,423,967	104,986,783	63,158,415	84,147,296

16. Finance lease obligation

Minimum lease payments due

- within one year	94,572	69,325
- in second to fifth year inclusive	63,048	-
	157,620	69,325
less: future finance charges	(17,198)	(6,703)
Present value of minimum lease payments	140,422	62,622

Present value of minimum lease payments due

- within one year	80,454	62,622
- in second to fifth year inclusive	59,968	-
	140,422	62,622
Non-current liabilities	59,968	-
Current liabilities	80,454	62,622
	140,422	62,622

The municipality has entered into contracts with suppliers for the rental of office equipment and has agreed to accept the option to purchase the equipment at the end of the lease term.

The average lease term was 3 years and the average effective borrowing rate was 13% (2014: 13%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Refer to note 4 for the carrying value of assets under finance lease.

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Financial management grant	589,614	-
Human settlements development grant	-	2,381,752
Financial management support grant	212,716	645,189
Greenest municipality competition grant	-	37,640
Unspent public contributions and donations	1,273,987	360,918
	2,076,317	3,425,499

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17. Unspent conditional grants and receipts (continued)		
Movement during the year		
Balance at the beginning of the year	3,425,499	7,783,323
Additions during the year	64,939,573	61,888,978
Income recognition during the year	(66,288,755)	(66,246,802)
	2,076,317	3,425,499

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 24 for reconciliation of grants from National/Provincial Government and note 25 for the public contributions.

18. Borrowings

At amortised cost		
Annuity loans	432,443,582	412,824,494
Non-current liabilities		
At amortised cost	408,904,414	392,443,635
Current liabilities		
At amortised cost	23,539,168	20,380,859

The fair values of the financial liabilities were determined as follows:

- The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.
- At the reporting date there are no significant concentrations of credit risk for other financial liabilities. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such other financial liabilities.

Refer to note 44 for maturity analysis of financial liabilities.

19. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Changes due to re-measurement	Total
Rehabilitation of tip sites	27,762,764	49,216,120	-	-	820,245	77,799,129
Clearing of alien vegetation	1,143,375	-	(295,237)	-	244,862	1,093,000
Gratification payable	407,840	-	(730)	(19,548)	-	387,562
Long service awards	9,254,503	1,291,350	(1,070,264)	-	(130,096)	9,345,493
Leave pay	10,345,168	2,350,000	(657,020)	-	(935,591)	11,102,557
Bonuses	7,150,086	654,594	-	-	-	7,804,680
	56,063,736	53,512,064	(2,023,251)	(19,548)	(580)	107,532,421

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19. Provisions (continued)

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Changes due to re- measurement	Total
Rehabilitation of tip sites	40,123,493	-	-	-	(12,360,729)	27,762,764
Clearing of alien vegetation	1,487,477	9,000	(306,126)	-	(46,976)	1,143,375
Gratification payable	443,500	-	(10,681)	(24,979)	-	407,840
Long service awards	6,449,000	3,587,158	(781,655)	-	-	9,254,503
Leave pay	10,061,040	2,246,025	(956,654)	-	(1,005,243)	10,345,168
Bonuses	6,503,898	646,188	-	-	-	7,150,086
	65,068,408	6,488,371	(2,055,116)	(24,979)	(13,412,948)	56,063,736
Non-current liabilities					85,937,441	32,991,999
Current liabilities					21,594,980	23,071,737
					107,532,421	56,063,736

Rehabilitation of tip sites

Provision is made in terms of the Overstrand Municipality's licensing stipulations on the landfill sites, for the estimated cost of rehabilitating landfill sites. The estimation of landfill sites was conducted by JPCE specialist waste management consultants, independent consultants who are not connected to the municipality.

The costs are determined by calculating the volumes of excavations, materials required and legal requirements according to the footprint of each individual site. The previous year's figures are escalated using the latest CPI of 6%. The individual rates are then again cross-checked to determine if they are still in line with current rates for similar activities and adjusted accordingly.

The scheduled dates of total closure and rehabilitation for the operational site is at present anticipated to take place between 2016 and 2031.

The cost to rehabilitate all identified sites in the Overstrand are estimated at R 77,799,129 for the period.

Clearing of alien vegetation

The average cost of alien clearing within the Overstrand is derived from the actual expenditure of the Department of Environmental Affairs, working for water programme. During the financial year, the programme cleared 2,580 ha at a total cost of R4,017,014. This equates to an average cost of R1,557 per ha.

Approximately 10.6% of a total area of 6,650 ha must be cleared during the next 3 to 10 years and the estimated cost amounts to R 1,093,000 for the period.

Gratification payable

The cost of the gratification payable was based on employees not belonging to a pension fund up until February 2003 and is only payable on retirement. The estimated cost amounts to R 387,562 for the period.

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19. Provisions (continued)

Long service awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2015 may become entitled to in future, based on an actuarial valuation performed at 30 June 2014, to the amount of R 9,345,493 for the period.

Discount rate:

A discount rate of 7.84% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee.

Key assumptions:

Discount rate of 7.84% (2014: 7.84%), a general salary inflation rate of 7.03% (2014: 7.03%) and a net discount rate of 0.75% (2014: 0.75%).

Leave pay

Annual leave accrues to employees on a monthly basis in accordance with the conditions of employment. Employees are entitled to 16 non-vested leave days and 8 vested leave days per annum, accumulated to a maximum of 48 leave days. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of leave and the estimated leave days to be forfeited. The estimated cost amounts to R 11,102,557 for the period.

It is not the municipality's policy to encash leave in the normal course of business, except upon resignation or retirement.

Bonuses

Annual bonuses accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on assumptions and the estimated cost amounts to R 7,804,680 for the period.

20. Payables from exchange transactions

Trade payables	25,737,966	28,449,848
Payments received in advance	9,375,017	6,358,825
Retention monies	3,590,414	5,265,404
Builders' deposits	9,321,645	8,310,115
Accrued interest	7,002,027	5,980,832
Deposits received	743,274	600,441
Other payables	3,473,285	3,473,285
Deferred income	445,342	390,394
Control accounts - salaries	2,558,509	67,931
Control accounts - sundry	1,511,937	2,364,619
	63,759,416	61,261,694

21. Consumer deposits

Electricity	27,615,719	25,565,177
Water	14,127,416	12,195,318
	41,743,135	37,760,495

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22. Property rates		
Rates received		
Residential and business	189,280,944	166,113,095
Less: Income forgone	(36,410,733)	(31,126,599)
	152,870,211	134,986,496
Property rates - penalties imposed	747,186	836,998
	153,617,397	135,823,494

Income forgone is defined as any income that the Overstrand Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

23. Service charges

Sale of electricity	286,570,506	268,054,838
Sale of water	108,390,732	95,129,895
Sewerage and sanitation charges	68,661,182	62,875,144
Refuse removal	56,769,518	52,974,366
	520,391,938	479,034,243

24. Government grants and subsidies

Operating grants

Equitable share	52,021,000	41,949,000
National Financial management grant	860,386	1,300,000
National Municipal systems improvement grant	-	540,000
Provincial Library grant	3,182,000	794,800
Provincial Community development workers grant	69,952	49,200
Provincial Thusong service centres grant	-	218,000
Provincial Main road subsidy	82,560	2,651,200
National Expanded public works programme	1,768,000	1,244,000
Provincial Financial management support grant	546,976	154,811
Provincial Nelson Mandela memorial grant	-	100,000
Provincial Human settlement developments grant	632,252	18,668,691
Provincial Disaster recovery grant	1,272,000	-
Provincial Housing consumer education	-	47,385
Provincial Mobility strategy	-	105,868
Provincial Greenest municipality	37,640	12,360
	60,472,766	67,835,315

Capital grants

National Municipal systems improvement grant	934,000	350,000
Provincial Library grant	2,150,000	10,200
Provincial Sport and recreation grant	-	100,000
Provincial Human settlement developments grant	29,739,732	10,403,709
Provincial Municipal infrastructure grant	20,674,000	18,754,909
National Integrated national electricity grant	2,000,000	2,026,029
National Neighbourhood development partners grant	-	3,963,000
Provincial Public transport non-motorised infrastructure grant	-	2,482,000
	55,497,732	38,089,847
	115,970,498	105,925,162

Overstrand Municipality

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24. Government grants and subsidies (continued)

Equitable Share

This grant is primarily used to subsidise the provision of basic services to indigent households.

All registered indigent households receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and up to 4,2kl waste water, which is funded from the grant. Indigent households also receive 6kl free water and 50kwh units free electricity per month.

National Financial management grant

Current-year receipts	1,450,000	1,300,000
Conditions met - transferred to revenue	(860,386)	(1,300,000)
	589,614	-

Conditions still to be met - remain liabilities (see note 17).

National Municipal systems improvement grant

Current-year receipts	934,000	890,000
Conditions met - transferred to revenue	(934,000)	(890,000)
	-	-

Provincial Library grant

Current-year receipts	5,332,000	805,000
Conditions met - transferred to revenue	(5,332,000)	(805,000)
	-	-

Provincial Community development workers grant

Current-year receipts	69,952	49,200
Conditions met - transferred to revenue	(69,952)	(49,200)
	-	-

Provincial Thusong service centres grant

Current-year receipts	-	218,000
Conditions met - transferred to revenue	-	(218,000)
	-	-

Provincial Main road subsidy

Current-year receipts	82,560	2,651,200
Conditions met - transferred to revenue	(82,560)	(2,651,200)
	-	-

Provincial Housing consumer education grant

Balance unspent at beginning of year	-	47,385
Conditions met - transferred to revenue	-	(47,385)
	-	-

Overstrand Municipality

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24. Government grants and subsidies (continued)		
National Expanded public works programme		
Current-year receipts	1,768,000	1,244,000
Conditions met - transferred to revenue	(1,768,000)	(1,244,000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Provincial Sport and recreation grant		
Current-year receipts	-	100,000
Conditions met - transferred to revenue	-	(100,000)
	-	-
Provincial Nelson Mandela commemoration grant		
Current-year receipts	-	100,000
Conditions met - transferred to revenue	-	(100,000)
	-	-
Provincial Human settlement developments grant		
Balance unspent at beginning of year	2,381,752	5,460,898
Current-year receipts	28,677,077	26,395,422
Conditions met - transferred to revenue	(30,371,981)	(29,072,399)
Transfer to debtor / creditor	(686,848)	(402,169)
	-	2,381,752
Conditions still to be met - remain liabilities (see note 17).		
Provincial Municipal infrastructure grant		
Current-year receipts	20,674,000	18,755,000
Conditions met - transferred to revenue	(20,674,000)	(18,754,909)
Transfer to creditors	-	(91)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
National Integrated national electricity grant		
Current-year receipts	2,000,000	3,000,000
Conditions met - transferred to revenue	(2,000,000)	(2,026,029)
Transfer to debtors	-	(973,971)
	-	-
National Neighbourhood development partners grant		
Current-year receipts	-	3,963,000
Conditions met - transferred to revenue	-	(3,963,000)
	-	-

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24. Government grants and subsidies (continued)

Provincial Mobility strategy

Balance unspent at beginning of year	-	105,868
Conditions met - transferred to revenue	-	(105,868)
	-	-

Provincial Public transport non-motorised infrastructure grant

Balance unspent at beginning of year	-	1,500,000
Current-year receipts	-	982,000
Conditions met - transferred to revenue	-	(2,482,000)
	-	-

Provincial Financial management support grant

Balance unspent at beginning of year	645,189	-
Current-year receipts	514,502	800,000
Conditions met - transferred to revenue	(546,975)	(154,811)
Transfer to creditors	(400,000)	-
	212,716	645,189

Conditions still to be met - remain liabilities (see note 17).

Provincial Greenest municipality competition grant

Balance unspent at beginning of year	37,640	-
Current-year receipts	-	50,000
Conditions met - transferred to revenue	(37,640)	(12,360)
	-	37,640

Conditions still to be met - remain liabilities (see note 17).

Provincial Disaster recovery grant

Current-year receipts	1,272,000	-
Conditions met - transferred to revenue	(1,272,000)	-
	-	-

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25. Public contributions and donations		
Spaces for sport	86,930	308,255
SAMRAS usergroup	3,200	-
Public contributions non-cash	991,514	7,871,168
Government contributions non-cash	580,000	-
Friedrich Naumann foundation for freedom	162,281	318,809
Table mountain fund	-	240,000
Public contributions cash	-	4,670,571
ICT projects for libraries	-	27,347
Accelerated Community Infrastructure Programme	1,000,000	-
	2,823,925	13,436,150
Reconciliation of conditional contributions		
Balance unspent at beginning of year	360,918	669,172
Current-year receipts	2,165,481	13,119,496
Conditions met - transferred to revenue	(1,252,412)	(13,427,750)
	1,273,987	360,918

Conditions still to be met - remain liabilities (see note 17)

26. Other income

Administration charges	299,216	129,686
Admission fees	-	713,886
Application fees	22,170	8,535
Baboon proof bins	64,080	47,741
Building clause levy	49,192	47,579
Building plan fees	4,893,280	3,439,415
Cemetery fees	209,085	160,824
Collection charges	3,505,703	2,287,593
Commission received	131,512	126,068
Construction of benches	175	6,140
Developers contributions	2,651,785	2,766,148
Duplicating charges	43,270	39,349
Fire service charges	229,851	-
Legal fees	613,233	433,570
Library fees	34,980	35,510
Parking fees	1,901,695	1,420,922
Plot clearing charges	426,683	372,853
Post office fees	23,397	24,926
Pound fees	335,676	217,879
Private telephone calls recovered	191,027	223,662
Reconnection fees	961,667	809,363
Roadworthy certificates	560,720	492,953
SETA claims	604,817	132,866
Searching fees	39,565	35,140
Sundry income	911,302	1,326,136
Swimming pool fees	27,356	20,112
Town planning fees	1,142,359	907,767
Valuation and clearance certificates	458,745	399,855
	20,332,541	16,626,478

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27. General expenses		
Advertising	1,819,798	1,907,113
Assets expensed	404,264	396,447
Auditors remuneration	3,885,803	3,558,922
Baboon proof bins	50,217	71,339
Bank charges	1,778,085	1,331,705
CID payments - Hermanus public protection	5,222,062	4,250,718
Chemicals	8,379,109	10,553,141
Commission paid	975,455	1,019,238
Conditional receipts expenses - Housing grants	4,166,892	24,112,109
Conditional receipts expenses - Other grants	3,373,085	3,960,070
Consulting fees	8,944,119	9,431,297
Contribution to/(from) provisions	50,281,228	(12,398,706)
Delegate expenses	160,160	173,145
Diesel for boilers	355,373	313,181
Electricity	3,832,795	3,651,711
Fuel and oil	10,961,921	11,476,637
Hire	1,263,989	1,340,807
Insurance	2,456,748	2,363,018
LED project implementation	353,012	458,759
Lease rentals	688,069	751,883
Legal fees	3,616,231	3,083,221
Management of informal settlement fees	1,741,365	1,982,309
Occupational health and safety	221,486	194,081
Plot clearing costs	416,905	552,799
Postage and courier	1,215,288	1,319,584
Printing and stationery	2,074,840	2,038,032
Property valuation charges	405,848	442,118
Public functions	271,138	210,480
Reference library	149,661	157,798
Refuse/recycle bags	351,830	303,878
Removal costs	76,379	33,020
Security services	4,431,942	4,262,267
Skills development levies	2,195,837	2,090,299
Solid waste chipping	3,025,116	2,075,900
Solid waste haulage	6,790,924	7,742,491
Special projects	700,218	714,259
Staff welfare	213,047	127,630
Subscriptions and membership fees	2,496,894	2,226,396
Subsistence and transport	1,062,868	942,074
Sundry expenses	240,095	2,193,586
Telephone and fax	2,807,495	2,839,367
Title deed search fees	101,496	93,406
Tourism development	2,438,735	2,796,426
Tow in fees	24,430	10,811
Training	2,215,827	1,803,644
Uniforms and protection clothing	2,102,502	1,949,842
Union representative	34,911	46,550
Veterinary services	296,790	355,824
Ward committee meetings	540,731	509,800
Water catchment, research and testing	3,986,100	4,287,524
Workmen's compensation assurance	1,307,243	1,454,480
	156,906,356	117,562,430

Membership fees paid over to SALGA during the period amounted to R 2,472,249 (2014: R 2,169,247).

Overstrand Municipality

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28. Employee related costs

Basic	154,257,924	146,875,104
Bonus	12,137,201	11,535,420
Medical aid - company contributions	9,363,302	8,828,462
UIF	1,426,157	1,357,626
Leave pay provision charge	1,414,409	1,240,783
Group life - company contributions	1,071,624	993,414
Other payroll levies	85,957	78,232
Post-employment benefits - Pension - Defined contribution plans	40,019,895	41,545,855
Overtime payments	14,764,965	14,371,147
Long-service awards	1,161,254	3,587,158
Acting allowances	1,641,715	1,257,839
Car allowance	9,633,753	9,749,853
Housing benefits and allowances	943,607	967,485
Standby allowance	6,430,420	6,073,431
Scarcity allowance	1,726,914	1,541,022
Sundry allowance	1,749,720	1,680,683
	257,828,817	251,683,514

28.1. Remuneration of municipal manager

Annual Remuneration	1,332,353	1,248,736
Contributions to UIF, Medical and Pension Funds	314,859	297,210
Entertainment	12,000	12,000
	1,659,212	1,557,946

Cellphone allowance	21,372	19,872
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28.2. Remuneration of chief financial officer

Annual Remuneration	1,203,908	1,131,589
Car Allowance	48,000	48,000
Contributions to UIF, Medical and Pension Funds	266,330	249,259
Entertainment	6,000	6,000
	1,524,238	1,434,848

Cellphone allowance	19,872	19,872
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28.3. Remuneration of director: Management services

Annual Remuneration	862,785	807,831
Car Allowance	72,000	72,000
Contributions to UIF, Medical and Pension Funds	198,456	185,166
Entertainment	6,000	6,000
Housing subsidy	6,402	5,736
	1,145,643	1,076,733

Cellphone allowance	21,372	19,872
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Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand	2015	2014
28. Employee related costs (continued)		
28.4. Remuneration of director: Community services		
Annual Remuneration	1,124,839	1,060,092
Car Allowance	78,000	78,000
Contributions to UIF, Medical and Pension Funds	46,337	39,697
Entertainment	8,082	8,082
Computer allowance	3,912	3,912
	1,261,170	1,189,783
Cellphone allowance	21,372	19,872
28.5. Remuneration of director: Infrastructure and planning		
Annual Remuneration	1,186,226	1,108,245
Car Allowance	48,000	48,000
Contributions to UIF, Medical and Pension Funds	283,971	268,450
Entertainment	9,000	9,000
Computer allowance	4,800	4,800
	1,531,997	1,438,495
Cellphone allowance	21,372	19,872
28.6. Remuneration of director: Local economic development		
Annual Remuneration	869,357	745,132
Car Allowance	120,000	110,000
Contributions to UIF, Medical and Pension Funds	43,203	39,673
Entertainment	20,000	16,667
	1,052,560	911,472
Cellphone allowance	19,872	19,872
28.7. Remuneration of director: Protection services		
Annual Remuneration	847,454	792,044
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	38,073	35,097
Entertainment	10,000	10,000
	1,015,527	957,141
Cellphone allowance	21,372	19,872
The cellphone allowances are included in the sundry allowance item in note 28 above.		
Employee related costs for municipal staff	257,828,817	251,683,514
Employee related costs for senior management	9,190,347	8,566,418
Total employee related costs	267,019,164	260,249,932

Overstrand Municipality

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Figures in Rand	2015	2014
29. Remuneration of councillors		
Executive Major	718,495	677,826
Deputy Executive Mayor	574,287	542,261
Mayoral Committee Members [2015: 3; 2014: 4]	1,731,704	2,033,480
Speaker	574,796	542,261
Councillors [2015: 19; 2014: 18]	3,934,165	3,618,934
Cellphone allowance	570,177	517,749
	8,103,624	7,932,511
30. Debt impairment		
Contributions to debt impairment provision	10,846,067	4,953,360
31. Investment revenue		
Interest revenue		
Other financial assets	5,189,120	3,172,131
Bank	2,816,093	2,327,900
Interest charged on trade and other receivables	2,278,835	2,117,868
Interest received - other	138,651	852,210
	10,422,699	8,470,109
The amount included in Investment revenue arising from exchange transactions amounted to R 2,278,835 (2014: R 2,117,868).		
The amount included in Investment revenue arising from non-exchange transactions amounted to R 8,143,864 (2014: R 6,352,241).		
32. Fair value adjustments		
Investment property (Fair value model)	(4,770,000)	(7,830,700)
Other financial assets		
• Other financial assets (Designated as fair value)	1,203,805	839,595
	(3,566,195)	(6,991,105)
33. Depreciation and amortisation		
Property, plant and equipment	102,642,936	99,188,271
Intangible assets	725,166	628,771
	103,368,102	99,817,042
34. Finance costs		
Finance leases	13,725	69,809
Current borrowings	43,433,321	39,867,913
	43,447,046	39,937,722
35. Auditors' remuneration		
Fees	3,885,803	3,558,922

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36. Contracted services		
Vehicle maintenance	6,486,848	5,665,481
Ward projects	1,442,966	2,129,194
Maintenance contractors	60,245,376	49,482,298
Contracted services	17,152,211	15,489,261
	85,327,401	72,766,234
37. Grants and subsidies paid		
Other subsidies		
Low income house-hold subsidies	41,921,502	38,297,993
Grants to organisations	278,000	451,296
Transfers/donations made to other organs of state	6,459,443	-
	48,658,945	38,749,289
38. Bulk purchases		
Electricity	167,659,838	157,055,063
39. Cash generated from operations		
Deficit	(49,845,171)	(43,079,714)
Adjustments for:		
Depreciation and amortisation	103,368,102	99,817,042
(Loss) gain on sale of assets and liabilities	(1,953,041)	12,017,434
Fair value adjustments	3,566,195	6,991,105
Finance costs - Finance leases	13,725	69,809
Impairment deficit	3,077,214	-
Debt impairment	10,846,067	4,953,360
Movements in operating lease assets and accruals	53,246	88,686
Movements in retirement benefit assets and liabilities	11,925,492	15,788,508
Movements in provisions	51,468,685	(9,004,672)
Movement in housing development fund	6,190	673,351
Movement in self insurance fund	1,313,672	619,808
Changes in working capital:		
Inventories	4,299,614	7,125,534
Receivables from exchange transactions	3,413,301	368,971
Consumer debtors	6,686,117	1,499,697
Other receivables from non-exchange transactions	(29,498,039)	(9,306,298)
Payables from exchange transactions	2,497,730	(10,377,281)
VAT	(411,977)	2,407,336
Unspent conditional grants and receipts	(1,349,182)	(4,357,824)
Consumer deposits	3,982,640	2,818,974
	123,460,580	79,113,826
40. Commitments		
Authorised capital expenditure		
Unrecognised contractual commitments		
• Property, plant and equipment	5,304,900	5,287,778
Expenditure approved but not yet contracted for		
• Property, plant and equipment	103,914,091	97,720,534

Overstrand Municipality

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40. Commitments (continued)

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	74,280
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Operating lease payments represent rentals payable by the municipality for certain of its office equipment and office space. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	155,141	263,957
- in second to fifth year inclusive	433,278	508,895
- later than five years	3,011,096	3,090,621
	3,599,515	3,863,473

Certain of the municipality's property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rents receivable.

41. Contingencies

Contingent liabilities

Kleynhans Family Trust vs Overstrand Municipality

The applicant filed a notice of motion in the Western Cape High Court requesting that the municipality be ordered to ensure that the Fernkloof Estate is fully protected by electrified fencing that is designed to prevent unauthorised access to the estate.

In February 2015 the High Court found in favour of the Municipality by dismissing the claim with cost. The applicant filed an application for leave to appeal on 4 March 2015. Limited leave to appeal was granted to the applicant, with cost to be taxed after the appeal is finalized. The period of finalizing the appeal might take up to a year. The Municipality received the applicant's application for leave to appeal to the Supreme Court of Appeal on 3 June 2015. The municipality's exposure is approximately R7,000,000

David Abbot vs Overstrand Municipality

The applicant filed for damages to property due to flooding of the Klein River estuary. The matter served before the Western Cape High Court in August 2014. The applicant was granted leave to appeal the judgment. We have received confirmation from our attorneys that the core bundle is being finalised for the appeal. The municipality's exposure was approximately R500,000.

H Myburgh vs the Minister of Police and two others

A senior official of the Municipality was alleged to have assaulted a member of the public. The municipality was joined as a third party respondent by the defendant, being the Minister of Police. The claim is R600,000 however, Overstrand Municipality has no financial exposure to this claim as it is covered in terms of the municipality's insurance portfolio.

Erf 17 Van Dyks Bay

The municipality is involved in settlement discussions with the Pierre Smit Family Trust to register a servitude over the portion of its property where on a public road has been built. The owners of the adjoining properties have already paid for the registration costs and await signature of the agreement and registration of the servitude. Our attorneys duly advised the affected parties of the vested rights of the municipality, despite closure of the public street. The municipality's exposure is approximately R50,000.

Overstrand Municipality

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41. Contingencies (continued)

Contingent assets

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 in the rand on the capital amount still outstanding has been received. Therefore the a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.

Due to the fact that the majority of the debt still to be collected, by the receivers, involve some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed.

Management impaired this investment from R2,631,821 to Rnil in 2010/2011 financial year. The exposure is approximately R405,181.

42. Related parties

Relationships

Members of key management

Refer to notes 28.1 to 28.7 and 29

There were no related party transactions that occurred during the period under review.

43. Comparative figures

The information presented below is only the statement of financial position and statement of financial performance items that have been affected by adjustments to comparative figures. The comparative figures have been adjusted for the following reasons:

Accounting errors:

Accounting errors relating to prior periods have been identified during the 2013/2014 financial period. These errors include mathematical errors¹, misapplication of accounting policies², oversight or misinterpretation of facts³ and effects of fraud⁴

Changes in classification:

There were no changes in classifications identified during the year.

Changes in accounting policies:

Changes in accounting policies were due to GRAP 100 regarding Non-current assets held for sale that was withdrawn and became effective on 1 July 2014 and needs to be implemented retrospectively and prospectively where relevant.

The correction of errors and change in accounting policy detailed below has the following impact on the global opening balances as at 1 July 2013:

Assets:	Property, plant and equipment	R 13,448,410
	Non-current assets held for sale	R (1,025,005)
	VAT receivable	R 4,695
	Other receivables from non-exchange transactions	R (1,134,495)
Liabilities:	Payables from exchange transactions	R 66,600
	Consumer deposits	R (9,500)
Reserves:	Accumulated surplus	R (11,350,705)

Overstrand Municipality

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43. Comparative figures (continued)

	Amount previously reported	Accounting errors	Change in classification	Changes in accounting policy	Restated amount
Statement of financial position					
Assets					
Current assets					
Inventories ^{1 3}	13,136,770	(5,581)	-	-	13,131,189
Other receivables from non-exchange transactions ¹	18,600,652	802,176	-	-	19,402,828
VAT receivable ¹	5,934,940	9,147	-	-	5,944,087
Consumer debtors ¹	47,450,936	138,817	-	-	47,589,753
Non-current assets					
Investment property	164,500,500	30,000	-	4,300,000	168,830,500
Heritage assets	99,571,975	-	-	1,069	99,573,044
Property, plant and equipment ¹	3,011,484,327	11,646,450	-	-	3,023,130,777
Liabilities					
Current liabilities					
Payables from exchange transactions ^{1 3}	(61,517,718)	256,030	-	-	(61,261,688)
Consumer deposits ^{1 3}	(37,750,995)	(9,500)	-	-	(37,760,495)
Provisions ^{1 3}	(23,489,724)	417,986	-	-	(23,071,738)
Net assets					
Reserves					
Accumulated surplus ^{1 2 3}	(2,805,239,737)	(13,285,525)	-	-	(2,818,525,262)
Statement of financial performance					
Revenue					
Revenue from exchange transactions					
Service charges ^{1 3}	(479,252,517)	218,273	-	-	(479,034,244)
Other income ^{1 3}	(16,630,507)	4,029	-	-	(16,626,478)
Rental income ^{1 3}	(7,590,838)	(58,917)	-	-	(7,649,755)
Revenue from non-exchange transactions					
Property rates ^{1 3}	(134,812,632)	(173,864)	-	-	(134,986,496)
Penalties - property rates ^{1 3}	(820,635)	(16,362)	-	-	(836,997)
Fines ³	(22,739,348)	5,523,625	-	-	(17,215,723)
Expenditure					
Employee related costs ^{1 3}	260,644,836	(394,903)	-	-	260,249,933
Finance costs ^{1 3}	39,927,311	10,411	-	-	39,937,722
Contracted services ^{1 3}	72,754,121	12,113	-	-	72,766,234
General expenses ^{1 3}	117,460,188	102,233	-	-	117,562,421
Depreciation ^{1 3}	99,360,930	456,112	-	-	99,817,042
Materials ^{1 3}	13,594,529	(15,296)	-	-	13,579,233
Debt impairment ³	12,525,633	(7,572,273)	-	-	4,953,360
Fair value adjustment ^{1 3}	7,021,105	(30,000)	-	-	6,991,105

Overstrand Municipality

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44. Risk management

Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Finance directorate monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk and liquidity risk. Compliance with policies and procedures are reviewed by the internal auditors on a continuous basis and annually by the external auditors. The municipality does not enter into or trade with financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The Municipality manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the Municipality's credit control and debt collection policy. The Municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in note 14 to the financial statements.

Financial assets exposed to credit risk at 30 June were as follows:

Counter parties with external credit rating (Fitch's):

Investments

F1	26,051,343	50,039,377
F2	23,148,842	16,965,036

Counter parties without external credit rating:

Receivables from exchange and non-exchange transactions

Group 1	17,633,396	10,379,431
Group 3	9,897,049	15,689,016
Group 4	21,571,690	19,740,950

Consumer debtors

Group 1	16,194,721	14,246,349
Group 2	838,230	1,025,600
Group 3	1,232,485	1,416,871
Group 4	34,584,132	30,900,932

Long term receivables

Group 4	68,409	82,990
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F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Overstrand Municipality

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44. Risk management (continued)

- Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.
- Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.
- Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.
- Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

Market risk

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality's policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2015 and 2014, the municipality's borrowings at variable rate were denominated in the Rand.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Interest rate risk for trade and other payables is managed by ensuring that all payments are made within 30 days of receipt of statement, as prescribed by the MFMA.

Interest rate sensitivity analysis:

Financial assets:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R 171,988 (2014: R 166,107) with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R 51,209 (2014: R 60,121) with the opposite effect if the interest rate had been 100 basis points lower.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years	Total
Trade and other receivables - normal credit terms	13.25 %	40,813,237	12,036,331	-	-	52,849,568
Cash in current banking institutions	5.35 %	104,971,103	-	-	15,980	104,987,083
Fixed interest rate instruments	10.37 %	66,648,292	66,172,302	195,442,740	430,301,595	758,564,929
Variable interest rate instruments	9.19 %	1,293,488	1,202,156	3,063,126	137,249	5,696,019



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45. Unauthorised expenditure

Opening balance	4,887,858	-
Overspending of the total amount appropriated in the municipality's approved budget	-	4,887,858
Written-off by council	(4,887,858)	-
	-	4,887,858

Overspending of the total amount per vote appropriated in the municipality's approved budget

Opening balance	18,021,157	-
Directorate: Council general	1,311,496	5,869,791
Directorate: Protection services	-	12,151,366
Directorate: Infrastructure and planning	2,403,777	-
Written-off by council	(18,021,157)	-
	3,715,273	18,021,157

Unauthorised expenditure awaiting authorisation.

Directorate: Councils' general budget was overspent due to the adjustment of the value for post retirement benefits.

Directorate: Infrastructure & Planning services' budget was overspent primarily due to the transfer of property (Penguin colony) with a value of R6 459 443 to Cape Nature.

46. Fruitless and wasteful expenditure

Opening balance	181,836	176,250
Plot clearing charges not collected	2,582	3,848
Interest paid on overdue account	-	738
Administration fee for plot clearing charges not collected	-	1,000
Sound equipment missing from Thusong Centre	8,000	-
Recovered / written-off by council	(5,586)	-
	186,832	181,836

47. Irregular expenditure

Opening balance	4,547,590	30,218,884
Procuring goods and services without following any official procurement process	145,948	228,306
Tenders not advertised for 30 days as prescribed	-	4,016,992
Procuring goods and services without adhering to the provisions of contracts longer than 3 years	-	442,737
Irregular expenditure identified in current year but relating to prior years	647,695	-
Certified as irrecoverable and written-off / Recovered / Condoned	(4,107,027)	(30,359,329)
	1,234,206	4,547,590

Expenditure was incurred in contravention with the municipality's supply chain management policy. Irregular expenditure was approved in accordance with the supply chain management policy.

48. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

49. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the financial statements.

Refer to pages 61 to 65 for the supply chain management deviations.

51. Multi-employer retirement benefit information

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

One councillor belongs to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R40.0 million (2014: R41.5 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2014. The scheme both operates a Defined benefit and Defined contribution scheme.

Defined Benefit Scheme:

The contribution rate payable under the defined benefit section is 27%, 9% by the members and 18% (up to 31 January 2012) and 23.06% (from 1 February 2012) by their councils. The actuarial valuation report at 30 June 2014 disclosed an actuarial valuation amounting to R3.632 billion (2013 : R3.227 billion), with a net accumulated surplus of R23.343 million (2013 : R10.030 million (deficit)), with a funding level of 104.4% (2013 : 99.7%).

Defined Contribution Scheme:

The actuarial valuation report at 30 June 2014 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R566.7 million (2013 : R483.6 million), net investment reserve of R0 million (2013 : (R0,787) million) and a funding level of 100.0% (2013 : 99.8%).

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2014.

The statutory valuation performed as at 1 July 2014 revealed that the assets of the fund amounted to R12.658 billion (2013 : R10.439 billion), with funding levels of 100% (2013 : 100%). The contribution rate paid by members was 9% and by Council 18% and is sufficient to fund the benefits accruing from the fund in the future.

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51. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

Cape Retirement Fund for Local Government:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2014.

The statutory valuation performed as at 30 June 2014 revealed that the assets of the fund amounted to R17.212 billion (2013 : R13.639 billion), with funding levels of 99.9% and 112.6% (2013 : 100.2% and 105.1%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (8%) and the municipalities (19%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation every three years. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R1.384 billion (2009 : R1.124 billion) with funding levels of 101.6% (2009 : 102.0%). The contribution rate paid by the members (13.75%) and the municipalities (15.00%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The last statutory valuation was performed as at 30 June 2011.

The statutory valuation performed as at 30 June 2011 revealed that the fund had a funding level of 111.1% (30 June 2008 : 100.0%). The contribution rate paid by the members not less than 7.50% and Council not less than 18.00% is sufficient to fund the benefits accruing from the fund in the future.

The next statutory valuation is due not later than 30 June 2014. Valuation not yet received.

52. Distribution losses

Water

Technical losses

Rand value	300,931	544,084
No. of units (kl)	95,586	164,119
% loss	1.34 %	2.42 %

Non-technical

Rand value	5,018,708	5,726,220
No. of units (kl)	1,281,256	1,455,231
% loss	17.99 %	21.47 %

Electricity

Technical losses

Rand value	6,397,364	5,903,985
No. of units (kWh)	11,499,184	11,482,704
% loss	5.00 %	5.00 %

Non-technical losses

Rand value	986,495	1,124,096
No. of units (kWh)	1,773,212	2,186,263
% loss	0.77 %	0.95 %

Non-technical water losses to the amount of R 5,018,708 (17.99%) were incurred as a result of unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages. Alien vegetation infestation in watercourses and catchment areas are also a contributing factor as well as technical water losses to the amount of R 300,931 (1.34%).

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52. Distribution losses (continued)

Cost per kilolitre was calculated using the following basis:

The cost of water treatment and raw water is used in calculating the cost per kilolitre as follows:

General expenses (excluding departmental charges), direct labour attributable to the purification of water, depreciation based on the cost of attributable infrastructure assets and all repair and maintenance.

The total expenditure is then divided by the total kilolitres of water purified during the year and this equals the cost per kilolitre.

Electricity losses to the amount of R 6,397,364 (5.00%) were incurred as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g. theft and vandalism, to the amount of R 986,495 (0.77%).

53. Awards to close family members of persons in the service of the state

Refer to pages 66 to 68 for detail relating to awards made to close family members of persons in the service of the state during the 2014/2015 financial year.

Refer to the 2013/2014 Annual report for comparative detail.

54. Budget differences

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

Explanations for variances over 10% between budget and actual figures.

Statement of Comparison of Budget and Actual Amounts and Appendix E(1)

Statement of financial performance and Appendix E(1):

Revenue:

Rentals - 14.9% - Rental income received in excess of budgeted amount. This is due to various factors, eg. new lease agreements materialised sooner than expected.

Income from agency services - 11.6% - Agency income received in excess of budgeted amount. This is due to various factors, eg. increased volume in motor vehicle registrations.

Licences and permits - (11.5%) - Income received less than budgeted amount due to economic factors.

Penalties imposed on property rates - (28.8%) - Fewer property owners defaulted on payment deadlines than budgeted for.

Public contributions - 37.7% - Non cash contributions for land that vested to the municipality.

Fines - (17.8%) - Additional information acquired during the year resulted in a change in estimate.

Other income - 20.8% - Revenue received in excess of budgeted amount. This can be due to various factors, eg. increase in volume of building plans submitted for approval and collection charges.

Interest received - 11.0% (in total) – Interest received on investments in excess of budgeted amount.

Other revenue and costs:

Gain/Loss on disposal of assets - (1853.0%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Fair value - (100%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

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54. Budget differences (continued)

Expenditure:

Amortisation and impairment - 100% - The budget does not provide a separate item for amortisation and impairment and therefore it is included with depreciation. These items need to be seen as a whole to determine the actual variance. The actual variance is therefore below 10%.

Debt impairment - (52.4%) - Additional information acquired during the year resulted in a change in estimate for the impairment of fines.

Grants and subsidies paid - 17.0% - Variance due to the transfer/donation of property (Penguin colony) to Cape Nature.

Statement of financial position:

Receivables from exchange, receivables from non-exchange, operating leases and VAT - (1.4%) (in total, but individual above 10%) - The budget does not provide for detail splitting of the various types of receivables therefore it is shown as one line item in the budget but separate line items in the financial statements. All these items need to be seen as a whole to determine the actual variance. The actual variance is therefore below 10%.

Cash and cash equivalents - 17.4% - Variance on cash and cash equivalent is due to savings on expenditure.

Heritage assets and Property, plant and equipment - (0.01%) (in total but heritage assets by itself is 100%) - The budget does not provide a separate item for heritage assets and therefore it is included with property, plant and equipment. These items need to be seen as a whole to determine the actual variance. The actual variance is therefore below 10%.

Finance leases and borrowings - (6.0%) (in total but finance leases by itself is 100%) - The budget does not provide a separate item for finance leases and therefore it is included with borrowings. These items need to be seen as a whole to determine the actual variance. The same principle applies with regard to the long term portions. The actual variance is therefore below 10%.

Other payables from exchange transactions - 26.1% - Budgeting subject to impracticalities for the determination of the outcome in advance.

Unspent conditional grants - 100% - Budgeting subject to impracticalities for the determination of the outcome in advance.

Provisions and employee benefit obligation - (34.0%) (in total but employee benefit by itself is 100% and provisions by itself is (40.3%)) - The budget does not provide a separate item for employee benefit obligation and therefore it is included with provisions. These items need to be seen as a whole to determine the actual variance. The same principle applies with regards to the long term portions, which are, in total below 10%. The variance in the current provisions is due to the rehabilitation of tipsites where the lifespan of the open cell increased due to extra capacity and a new cell that became operational.

Cash flow statement:

Interest received - 23.3%— Interest received on investments in excess of budgeted amount.

Movement in housing development fund and self insurance fund— 100% - The budget does not provide a separate item for the movement in the housing development fund and the self insurance fund and therefore it is included with other receipts. These items need to be seen as a whole to determine the actual variance which will then be below 10%.

Purchase of property, plant and equipment and intangible assets— 9.9% (in total) - The budget does not provide a separate item for the purchase of intangible assets and therefore it is included with the purchase of property, plant and equipment. These items need to be seen as a whole to determine the actual variance. The variance was due to capital expenditure not realising as planned and rolled over to the next year.

Proceeds on sale of assets (PPE, Investment property, heritage assets etc) - (100%) - The budget does not provide a separate item for the proceeds of other types of assets and therefore it is included with the proceeds of property, plant and equipment, if any. These items need to be seen as a whole to determine the actual variance. Budgeting subject to impracticalities for the determination of the outcome in advance.

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54. Budget differences (continued)

Movement in financial assets - 14.5% - Growth in the financial assets did not realise as expected due to various economic factors.

Movement in finance lease obligation - (99.0%) - Hire purchase for vehicles did not realise as planned.

Appendix E(2)

Sport and recreation - 40% - Monies from National Lotto Fund was received late and therefore rolled over to the next financial year as well as non-cash public contribution received.

Electricity - 20% - Certain projects rolled over to the next financial year.

Corporate services - 41% - Hire purchase for vehicles did not realise as planned.

55. Public-private partnership

Gansbaai Landfill Site

The municipality entered into a public-private partnership during the 2010/11 financial year. The service consists of the chipping of garden waste to reduce the transportable volume and the hauling by road of all waste from the Public Drop-offs at Stanford and Pearly Beach to the Gansbaai Landfill as well as the operation of these two Public Drop-offs and the Gansbaai Landfill. The agreement is for a period of eight years terminating in the 2018/19 financial year.

The following facilities are made available to the Contractor:

Gansbaai Landfill Site:

Weighbridge, Office, ablution facilities, kitchen, Material Recovery Facility, Public Drop-off and limited container storage,

Stanford Drop-off:

Access Control Building, ablution facilities and limited container storage

Pearly Beach Drop-off:

Access Control Building, ablution facilities and limited container storage.

Equipment and materials made available to the Service Provider by the Employer, or purchased by the Service Provider with funds provided by the Employer for the performance of the Services shall be the property of the Employer and shall be marked accordingly.

The contract may be terminated by either party due to non-performance.

SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(4) OF THE SCM POLICY

Deviations from the Policy, Approved in terms of Clause 36(1)(a) for the 2014/2015

#	Deviation #	Dated	Received	Approved	Deviations	Report to Council	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2736	2014/07/10	2014/07/09 (Updated: 2014/07/10)	2014/07/11	Clause 36(1)(a)(v)	01	The urgent procurement of 60 000 kg of aluminium sulphate used in the water purification process to provide drinking water for the Franschhoek community during the evaluation and award process of tender SC1457/2014. The tender will only be awarded during the next three weeks	Deputy Director: Community Services, Bartman M	Ikusasa chemicals (PTY) LTD	R 137 088.00		R 19,231.58	R 156,299.58
2	SCD2737	2014/07/11	2014/07/11	2014/07/11	Clause 36(1)(a)(ii)	01	The repair of sewerage vacuum pumps for CEM6395, CEM4439, CAM20030 and CAM25655. Broom Engineering CC is the sole supplier of these vacuum pumps	Superintendent: Mechanical Workshop, Hanekom J	Broom Engineering CC	R 12,582.90		R 1,761.61	R 14,344.51
3	SCD2738	2014/07/17	2014/07/14 (Updated: 2014/07/17)	2014/07/17	Clause 36(1)(a)(ii)	01	Recalibration of speed measuring equipment, Truvelo Manufactures (PTY) LTD is the sole supplier of the equipment that includes service, repair, maintenance and installation	Chief: Traffic Services, Fraser R	Truvelo Manufactures (PTY) LTD	R 10,789.95		R 1,510.59	R 12,300.54
4	SCD2739	2014/07/21	2014/07/01 (Updated: 2014/07/18)	2014/07/21	Clause 36(1)(a)(v)	01	Procurement of credits for a postage franking machine for Gansbaai Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R 39 000.00, inclusive of VAT.	Senior Manager: Gansbaai and Standard, Myburgh F	Earlywork 282 (PTY) LTD	R 34,210.53		R 4,789.47	R 39,000.00
5	SCD2740	2014/07/17	2014/07/17	2014/07/24	Clause 36(1)(a)(v)	01	The urgent procurement of 10 000 kg of soda ash light used in the water purification process to provide drinking water for the Franschhoek community during the evaluation and award process of tender SC1457/2014. The tender will only be awarded during the next three weeks	Deputy Director: Community Services, Bartman M	Protea Chemicals	R 59,500.00		R 8,330.00	R 67,830.00
6	SCD2741	2014/07/21	2014/07/14 (Updated: 2014/07/18)	2014/07/21	Clause 36(1)(a)(v)	01	Servicing and/or repair of the Fire Services breathing apparatus, in ensure compliance with the OHSASA Act of 1993, via a strip and glue process.	Chief: Fire Officer, Smith L	Drager South Africa (PTY) LTD	R 3,685.00		R 515.90	R 4,200.90
7	SCD2742	2014/07/22	2014/07/02 (Updated: 2014/07/22)	2014/07/24	Clause 36(1)(a)(iii)	01	The manufacturing and creative of two specially designed sunblinds to be used as an attraction at 'Feartings' Thant.	Senior Manager: Hermanus Admin, Kearny D	Hermanus Astronomy Centre	R 20,000.00			R 20,000.00
8	SCD2743	2014/07/29	2014/07/22 (Updated: 2014/07/28)	2014/07/29	Clause 36(1)(a)(ii)	01	Repair of the boiler at the industrial recovery facility at Gansbaai landfill site. Akura Manufacturing Engineering Company (PTY) LTD is the sole distributor of Bramland equipment in South Africa	Solid Waste Manager: Planning, Van Taak J	Akura Manufacturing Engineering Company (PTY) LTD	R 11,005.00		R 1,541.00	R 12,546.00
9	SCD2744	2014/07/24	2014/07/04 (Updated: 2014/07/23)	2014/07/25	Clause 36(1)(a)(v)	01	The three hydraulic pipes of CEM 7408 were damaged. The hydraulic pipes were sent to Hyco Hydraulics for inspection. Hyco Hydraulics found that all three hydraulic pipes was damaged beyond repaired and needed to be replaced	Superintendent: Mechanical Workshop, Hanekom J	Hyco Hydraulics & Pneumatics CC	R 3,520.79		R 492.91	R 4,013.70
10	SCD2745	2013/07/29	2014/07/25 (Updated: 2014/07/28)	2014/07/31	Clause 36(1)(a)(v)	01	Procurement of credits for a postage franking machine for Hermanus Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R170,000.00, inclusive of VAT.	Manager: Council Support Services, Van Tonder H	Earlywork 282 (Pty) Ltd	R 149,122.81		R 20,877.19	R 170,000.00
11	SCD2746	2014/07/30	2014/07/28 (Updated: 2014/07/29)	2014/07/30	Clause 36(1)(a)(ii)	01	Attending of a fire investigation techniques workshop on the 25-28 August 2014. Workshop will be hosted by USA experts in all aspects of fire investigation. After completion of the workshop attendees will be certified investigators with the IAAL. This will allow the attendees to conduct the cause of a fire and provide evidence in court cases	Director Protection Services: Michaels N	Fire Protection Association of South Africa (FPASA)	R 16,157.89		R 2,082.11	R 18,240.00
12	SCD2747	2014/07/31	2014/07/28 (Updated: 2014/07/29)	2014/07/31	Clause 36(1)(a)(v)	01	Procurement of services and maintenance of three multifunction office machines in the Overstrand area after the municipality have exhausted the prescribe process to no avail	Senior Business Analyst: Van Asperen J	Hycode PTY (LTD) /a Nashua Breede Valley	R 137,006.95		R 19,180.97	R 156,187.92
13	SCD2748	2014/08/01	2014/07/17 (Updated: 2014/08/01)	2014/08/01	Clause 36(1)(a)(v)	02	Renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the Provision of Data Support and ICT Advisory Services, in order to mitigate potential security risks and unforeseen disruptions in service delivery of the Data Centre	Senior Manager: Systems Development, Johnson C	Lateral Dynamics (PTY) LTD	R 452,842.00		R 63,397.88	R 516,239.88
14	SCD2749	2014/08/01	2014/07/23 (Updated: 2014/07/29)	2014/08/01	Clause 36(1)(a)(v)	02	Due to the high oil usage of vehicle CEM 12509. The vehicle was sent to Automotive Dynamics to be inspected. The supplier found that the pistons and pistons sleeves were damaged due to wear and tear. It is recommended that the engine be overhauled.	Acting Fleet Manager: Frans F	Automotive Dynamics	R 57,004.64		R 7,980.65	R 64,985.29
15	SCD2750	2014/08/04	2014/07/14 (Updated: 2014/08/04)	2014/08/08	Clause 36(1)(a)(v)	02	Workshop from the 11-14 August 2014. The course focuses on the land and housing development, in particular the development of virgin land and the methods of its continuous upgrading, including the latest designs in green urban layout and mixed land use.	Senior Manager: Human resources, Bacchianeri L	SAHF Education and Training	R 31,578.95		R 4,421.05	R 36,000.00

16	SCD2751	2014/08/06	2014/07/29 (Updated 2014/08/05)	2014/08/07	Clause 36(1)(a)(v)	02	Procurement of credits for a postage franking machine for Hangklip-Kleinmond Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R 41 000.00. Inclusive of VAT	Senior Manager: Hangklip-Kleinmond	Earlywox 282 (Pty) Ltd	R	35,964.91	R	5,035.09	R	41,000.00
17	SCD2752	2014/08/06	2014/07/28 (Updated 2014/08/05)	2014/08/19	Clause 36(1)(a)(v)	02	Due to the high oil usage of the engine of vehicle CEM 26438. The vehicle was sent to SPME Industries to be inspected. The supplier found that the pistons and piston sleeves were damaged due to wear and tear. It is recommended that the engine be overhauled.	Acting Fleet Manager: Frans F	SPME Industries	R	49,554.36	R	6,937.61	R	56,491.97
18	SCD2753	2014/08/07	2014/07/01 (Updated 2014/08/05)	2014/08/12	Clause 36(1)(a)(v)	02	Supply Chain Management Policy: Deviation: The booking of a space at the Gauteng Getaway Show, 29 - 31 August 2014, without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Local Economic Development, Kosi X	RAMSAY MEDIA (PTY) LTD	R	18,013.50	R	2,521.89	R	20,535.39
19	SCD2755	2014/08/20		2014/08/20	Clause 36(1)(a)(v)	02	The urgent procurement of electrical inventory items. These items are essential for the municipality to deliver essential services to the community as the stock has been depleted. It will have dire effects on the municipality's ability to render the required services to the community. Tender SC 1478/2014 will only be awarded during the next three weeks.	Acting Stores Coordinator: Van Der Merwe, J	Siyaphambili Electrical & Industrial Suppliers CC	R	58,328.89	R	8,166.04	R	66,494.93
20	SCD2756	2014/09/02	2014/08/19 (Updated 2014/08/20)	2014/09/02	Clause 36(1)(a)(v)	03	Restoration of two Second World War gunship canons situated at the cenotaph, Old Harbour, which has been damaged due to years of weathering	Senior Manager: Hermanus Administration, Kearney D	Vanier MCB	R	94,000.00	R	13,160.00	R	107,160.00
21	SCD2757	2014/09/15	2014/08/25 (Updated 2014/09/15)	2014/09/25	Clause 36(1)(a)(v)	03	Impoundment of cattle: Payment to Hermanus Animal Welfare Society for services rendered	Director Protection Services	Hermanus Animal Welfare Society	R	36,052.64	R	5,047.36	R	41,100.00
22	SCD2758	2014/09/03	2014/08/18 (Updated 2014/09/01)	2014/09/03	Clause 36(1)(a)(v)	03	CEM 26225 was sent to Worcester Gearbox Centre for inspection and it was found that the crown and pinion gears were damaged due to wear and tear and need to be replaced	Acting Fleet Manager: Frans F	Worcester Gearbox Centre	R	8,755.00	R	1,225.70	R	9,980.70
23	SCD2759	2014/09/02	2014/08/28 (Updated 2014/08/29)	2014/09/08	Clause 36(1)(a)(iii)	03	The construction and supply of uniquely designed concrete plinths for the mounting of the sculptures in the Hermanus area. The Tourism Bureau would be working in collaboration with the sculptors to design and ensuring the plinths are made to the right specifications as the sculptures need to be aesthetically and artistically acceptable	Senior Manager: Hermanus Administration, Kearney D	Hermanus Tourism Bureau	R	15,000.00	R		R	15,000.00
24	SCD2760	2014/09/02	2014/08/28 (Updated 2014/08/29)	2014/09/04	Clause 36(1)(a)(v)	03	The booking of a space at the Travel People workshop on the 11 September 2014 without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Local Economic Development, Kosi X	Travel People CC	R	8,690.00	R	1,216.60	R	9,906.60
25	SCD2762	2014/09/27		2014/09/30	Clause 36(1)(a)(v)	03	The urgent procurement of A3 and A4 copy paper. These items are essential for the municipality's daily administrative function. Tender SC1474/2014 was advertised but none of the tenderers met the specifications. A new tender is in the process to be advertised for the paper.	Acting Stores Coordinator: Van Der Merwe, J	Bytes Document Solutions	R	88,869.25	R	12,441.70	R	101,310.95
26	SCD2763	2014/10/01	2014/09/25 (Updated 2014/09/29)	2014/10/02	Clause 36(1)(a)(ii)	04	Servicing and calibration of Dräger Alcohol test apparatus	Chief: Traffic Services, Fraser R	Dräger South Africa (PTY) LTD	R	1,988.00	R	278.22	R	2,266.32
27	SCD2764	2014/10/02	2014/09/30 (Updated 2014/10/02)	2014/10/03	Clause 36(1)(a)(ii)	04	Repair of faulty traffic light by the sole manufacturer and supplier.	Chief: Traffic Services, Fraser R	Syntell (PTY) LTD	R	3,657.00	R	511.98	R	4,168.98
28	SCD2765	2014/10/17	2014/08/08 (Updated 2014/10/15)	2014/10/20	Clause 36(1)(a)(v)	04	The Servicing of Caterpillar equipment (CAM1670N) & CEM19317) by the sole authorised agent for Southern Africa (Refer to SCID 2765A)	Acting Manager: Fleet, Frans F	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	R	10,629.71	R	1,488.16	R	12,117.87
29	SCD2765A	2014/11/13	2014/11/10 (Updated 2014/11/11)	2014/11/21	Clause 36(1)(a)(ii)	05	The Servicing of Caterpillar equipment (CAM1670N) & CEM19317) by the sole authorised agent for Southern Africa (Refer to SCID 2765) the initial cost	Acting Manager: Fleet, Frans F	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	R	3,635.42	R	508.96	R	4,144.38
30	SCD2766	2014/10/21	2014/10/16 (Updated 2014/10/21)	2014/10/22	Clause 36(1)(a)(v)	04	The repair of the robot in Sandbaai by the supplier who had to come out and inspect the robot in order to identify the problem.	Chief: Traffic Services, Fraser R	Traffic Management Technologies	R	2,570.00	R	359.80	R	2,929.80
31	SCD2767	2014/10/22	2014/10/20 (Updated 2014/10/21)	2014/10/27	Clause 36(1)(a)(v)	04	Problems were experienced with CEM 10843, three point hydraulic system. The vehicle was sent to Argo Landini for inspection to determine the problem and the extend thereof. It was found that the control bank was damaged and need to be repaired	Acting Manager: Fleet, Frans F	Argo Landini Luthbutvutswising BK	R	14,660.57	R	2,052.48	R	16,713.05
32	SCD2768	2014/10/21	2014/10/20	2014/10/24	Clause 36(1)(a)(v)	04	The urgent procurement of electrical inventory as the store department is unable to meet the demand of the electrical departments. Due to the expiry of the validity period and the cancellation of tender SC1478/2014. The new tender for the electrical inventory has been advertised on the 02/10/2014.	Acting Store Coordinator, vd Merwe JC	Siyaphambili Electrical and Industrial Suppliers CC	R	84,306.55	R	11,802.92	R	96,109.47
33	SCD2770	2014/10/28	2014/10/20 (Updated 2014/10/24)	2014/10/29	Clause 36(1)(a)(v)	04	The intercom system controlling access to the municipality via the gate in Harmony Road was damaged due to a lightning strike. The supplier who originally installed the system was contacted to inspect and quote to repair the damages.	First Technician: Marx T	Mr. Spike Overberg CC	R	3,509.00	R	491.26	R	



34	SCD2771	2014/10/28	2014/10/17 (Updated 2014/10/27)	2014/10/29	Clause 36(1)(a)(ii)	04	The blade of the Holmatro cutter (jaws of life) was damaged during a training exercise and needs to be replaced. The manufacturer confirmed that Fire Raiders are the exclusive and authorized dealer in South Africa.	Chief: Fire, Smith L	Fire Raiders Cape (PTY) LTD	R	16,736.50	R	2,343.11	R	13,079.61
35	SCD2772	2014/10/28	2014/10/28	2014/10/28	Clause 36(1)(a)(v)	04	The identification and repair of fault with electricity supply cables in Hawston, after the main breaker tripped and limited the supply of electricity to the area, by a service provider with the needed specialized equipment. (Refer to SCD 2772A Addition Cost)	Senior Manager: Electrotechnical Services, du Plessis K	Caltest CC v/a Protection Testing	R	1,710.00	R	239.40	R	1,949.40
36	SCD2772A	2014/11/10	2014/10/28 (Updated 2014/11/10)	2014/11/20	Clause 36(1)(a)(v)	05	The identification and repair of fault with electricity supply cables in Hawston, after the main breaker tripped and limited the supply of electricity to the area, by a service provider with the needed specialized equipment. (Refer to SCD 2772 for the initial cost)	Senior Manager: Electrotechnical Services, du Plessis K	Caltest CC v/a Protection Testing	R	3,302.12	R	463.30	R	3,765.42
37	SCD2773	2014/10/30	2014/10/22 (Updated 2014/10/23)	2014/10/30	Clause 36(1)(a)(ii)	04	The supplier was contacted to perform a pressure test on the digger loader (CEM8154). The supplier found that there was too much oil in the transmission and needs to be repaired.	Acting Manager: Fleet, Frans F	Kcmuch Cape	R	2,698.10	R	377.73	R	3,075.83
38	SCD2774	2014/11/13	2014/11/10 (Updated 2014/11/11)	2014/11/17	Clause 36(1)(a)(ii)	05	The repair of the steering mechanism of the digger loader (CEM 24211) by the sole authorized dealer for Caterpillar branded machines and power systems.	Acting Manager: Fleet, Frans F	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	R	6,016.75	R	842.35	R	6,859.10
39	SCD2775	2014/11/10	2014/11/04 (Updated 2014/11/10)	2014/11/17	Clause 36(1)(a)(ii)	05	The urgent replacement of a cable in Hawston. If the cable is not replaced a third of Hawston and part of the central business area will be without electricity	Senior Manager: Electrotechnical Services, du Plessis K	Adenco Construction (PTY) LTD	R	45,474.00	R	6,366.36	R	51,840.36
40	SCD2776	2014/11/20	2014/11/17 (Updated 2014/11/28)	2014/12/02	Clause 36(1)(a)(v)	06	appointment of the contractor responsible for the construction of Baardskraersbos Water Treatment Plant, being Ikusasa Chemicals (Pty) Ltd, for the operation and maintenance of the said Plant during the Defects Notification Period, 1 December 2014 to 30 November 2015.	Deputy Director: Engineering Planning, Blignaut H	Ikusasa Chemicals (Pty) Ltd	R	132,000.00	R	18,480.00	R	150,480.00
41	SCD2777	2014/12/10	2014/12/03 (Updated 2014/12/05)	2014/12/10	Clause 36(1)(a)(ii)	06	Repair of Caterpillar Grader (CAM 16700) gearbox by the sole authorised agent Barloworld Equipment	Acting Manager: Fleet, Frans F	Barloworld Equipment	R	33,614.91	R	4,706.99	R	38,321.90
42	SCD2778	2014/12/10	2014/12/05 (Updated 2014/12/10)	2014/12/11	Clause 36(1)(a)(v)	06	Repairs to equipment and the reinstating of the dangerpoint mast and equipment in Gansbaai.	Benliokor Communications	Senior Manager: Systems Development, Johnson C	R	24,400.00	R	5,507.00	R	30,096.00
43	SCD2779	2014/12/24	2014/12/11 (Updated 2014/12/12)	2014/12/12	Clause 36(1)(a)(v)	06	The identification of fault and subsequent servicing of the generator in Gansbaai, after the system displayed an error (fault) message	Senior Manager: Gansbaai and Standford, Myburgh F	Electricum	R	10,617.50	R		R	10,617.50
44	SCD2780	2014/12/19	2014/12/19	2014/12/19	Clause 36(1)(a)(ii)	06	Replacement of 16 memcor ultra filtration membranes at the water treatment plant in Peary Beach by the sole distributor of memcor membranes Quality Filtration Systems CC	Manager: Operational, De Villiers J	Quality Filtration System CC	R	481,310.56	R	67,383.30	R	548,693.86
45	SCD2781	2014/12/22	2014/12/12 (Updated 2014/12/22)	2014/12/23	Clause 36(1)(a)(v)	06	Due to the number of tourists in the Gansbaai Area the monitoring and maintenance at the Water Treatment Plant at Peary Beach needs to increase from a weekly to a daily basis as from 20 December 2014 to 2 January 2015.	Manager: Operational, De Villiers J	Quality Filtration System CC	R	20,140.35	R	2,819.65	R	22,960.00
46	SCD2782	2015/01/02	2015/01/05	2015/01/05	Clause 36(1)(a)(iii)	07	Emergency repairs to the radio link between Hawston and Hermanus high sites. The functioning of the radios is critical for the emergency rescue and traffic services.	Senior Business Analyst: Van Asperen J	Estreux Systems CC v/a Benliokor Communications	R	6,427.00	R	899.78	R	7,326.78
47	SCD2783	2015/01/08	2014/12/10 (Updated 2015/01/07)	2015/01/08	Clause 36(1)(a)(v)	07	Exhibiting at the Beeld Holiday Show from the 27 February 2015 – 01 March 2015	Manager: LED, Xolile K	Interactive Trading 498 (PTY) LTD	R	16,290.00	R	2,280.60	R	18,570.60
48	SCD2784	2015/01/14	2014/12/10 (Updated 2015/01/14)	2015/01/15	Clause 36(1)(a)(v)	07	Exhibiting at the Cape Getaway show from the 13 – 15 March 2015	Manager: LED, Xolile K	Ramsay Media (PTY) LTD	R	13,725.00	R	1,921.50	R	15,646.50
49	SCD2785	2015/02/05	2015/02/03 (Updated 2015/02/05)	2015/02/06	Clause 36(1)(a)(ii)	08	Extinguishing of fires in the Hawston, Onrus and Sandbaai areas on the 15 January 2015	Chief: Fire Officer, Smith L	FFA Aviation (PTY) LTD	R	63,271.67	R	8,858.03	R	72,129.70
50	SCD2786	2015/02/13	2015/01/30 (Updated 2015/02/13)	2015/02/18	Clause 36(1)(a)(ii)	08	Supply and install of Neistar Vigil backup batteries for the Neistar units installed in the municipal vehicles. The locations of these units are only known by Altech Neistar.	Acting Manager: Fleet, Frans F	Altech Neistar (PTY) LTD	R	56,170.41	R	7,864.26	R	64,034.67
51	SCD2787	2015/02/06	2015/02/06 (Updated 2015/02/10)	2015/02/10	Clause 36(1)(a)(ii)	08	Recalibration of speed measuring equipment. Truvelo Manufactures (PTY) LTD is the sole supplier of the equipment that includes service, repair, maintenance and installation	Chief: Traffic Services, Fraser R	Truvelo Manufactures (PTY) LTD	R	11,868.96	R	1,661.65	R	13,530.61
52	SCD2788	2015/02/19	2014/12/04 (Updated 2015/02/18)	2015/02/20	Clause 36(1)(a)(v)	08	Provision of software for the capturing traffic lines for the period 1 – 31 December 2014.	Chief: Traffic Services, Fraser R	Total Client Services Limited	R	5,085.00	R	711.90	R	5,796.90
53	SCD2789	2015/02/26	2015/02/18 (Updated 2015/02/26)	2015/02/26	Clause 36(1)(a)(ii)	08	The appointment of illegal services on Hawston Beach on the 8, 14-15 February 2015	Senior Manager: Hermanus Administration, D Kearny	Overstrand Community Lifeguards CC	R	4,770.00	R	-	R	4,770.00
54	SCD2790	2015/03/03	2015/03/03	2015/03/05	Clause 36(1)(a)(v)	09	Repair of the electrical fencing around the municipal depot in Gansbaai	Manager: Operational, De Villiers J	Mr Spike Overberg CC	R	19,001.54	R	2,660.22	R	21,661.76
55	SCD2791	2015/03/04	2015/03/04	2015/03/08	Clause 36(1)(a)(ii)	09	Repairing of the digger loaders gearbox and servicing of the vehicle CEM 8154	Acting Manager: Fleet, Frans F	Kcmuch Cape (PTY) LTD	R	14,943.49	R	2,092.09	R	16,035.58

56	SCD2792	2015/03/09	2015/03/05 (Updated 2015/03/09)	2015/03/11	Clause 36(1)(e)(v)	09	Procuring of a distribution board and the reconfiguring of the air conditioning electrical system.	Senior Manager: Systems Development, Johnson C.	Cable's Cabling CC	R	24,002.40	R	3,360.34	R	27,362.74
57	SCD2793	2015/03/20	2015/03/15 (Updated 2015/03/20)	2015/03/25	Clause 36(1)(e)(v)	09	Installation of a CO ₂ shipping pre-treatment step at the Baardsekerbos WTW	Deputy Director: Engineering Planning, Bignault H	Ikusasa Chemicals (Pty) Ltd	R	125,000.00	R	17,500.00	R	142,500.00
58	SCD2794	2015/03/19	2015/03/12 (Updated 2015/03/18)	2015/03/27	Clause 36(1)(a)(v)	09	Extension of the Overstrand MyCity Water Telemetry Monitoring System at Hermanus, Stanford and Gansbaai	Deputy Director: Engineering Planning, Bignault H	Flotron Instrumental Services (Pty) Ltd	R	171,761.40	R	24,046.60	R	195,808.00
59	SCD2795	2015/03/09	2015/03/09 (Updated 2015/03/24)	2015/03/27	Clause 36(1)(a)(v)	09	The quarterly servicing of the refuse compactor (CEM 37562)	Acting Manager: Fleet Services, Frans F	Hydenco (PTY) LTD	R	3,535.17	R	484.93	R	4,030.10
60	SCD2797	2015/03/30	2015/02/13 (Updated 2015/03/27)	2015/04/02	Clause 36(1)(a)(i)&(ii)	10	Extinguishing of fires in the Kleinmond area on the 08 February 2015	Chief: Fire Officer, Smith L	FFA Aviation (Pty) Ltd	R	27,492.36	R	3,848.93	R	31,341.29
61	SCD2798	2015/04/01	2015/04/01	2015/04/02	Clause 36(1)(a)(v)	10	The annual maintenance, testset and SAPO licence fees for the franking machine for Gansbaai en Hangklip/Kleinmond Administration	Manager: Council Services Support	Earlyworx 282 (PTY) LTD	R	2,715.27	R	380.13	R	3,095.40
62	SCD2799	2015/04/09	2015/04/07	2015/04/10	Clause 36(1)(a)(v)	10	Repair of hydraulic cylinder (CEM 26438)	Acting Manager: Fleet Services, Frans F	Hydenco (PTY) LTD	R	9,725.00	R	1,361.50	R	11,086.50
63	SCD2800	2015/04/21	2015/04/16 (Updated 2015/04/21)	2015/04/21	Clause 36(1)(a)(v)	10	Installing of new cabinet in the Hermanus Server room.	Senior Manager: Systems Development, Johnson C	Cable's Cabling CC	R	13,315.00	R	1,864.10	R	15,179.10
64	SCD2801	2015/04/22	2015/04/08 (Updated 2015/04/20)	2015/04/23	Clause 36(1)(a)(v)	10	Attendance of three municipal officials to the Regional Water Leakage Summit 2015 on the 23-24 June 2015.	Director: Infrastructure and Planning, Muller S	Nina Freysen Consultants CC	R	10,500.00	R		R	10,500.00
65	SCD2802	2015/04/30	2015/04/17 (Updated 2015/04/24)	2015/04/30	Clause 36(1)(a)(v)	10	Servicing and/or repair of the Fire Services breathing apparatus to ensure compliance with the OHSASA Act of 1993, via a strip and quench process.	Chief: Fire Officer, Smith L	Drager South Africa (PTY) LTD	R	8,420.00	R	1,178.80	R	9,598.80
66	SCD2803	2015/04/30	2015/04/13 (Updated 2015/04/28)	2015/05/07	Clause 36(1)(a)(i)	11	Procurement of parts to repair Ursus tractors (CEM21823, CEM21927 and CEM 9402)	Acting Manager: Fleet Services, Frans F	Ursus South Africa (PTY) LTD	R	14,449.00	R	2,020.06	R	16,469.06
67	SCD2804	2015/05/08	2015/04/24 (Updated 2015/05/08)	2015/05/08	Clause 36(1)(a)(v)	11	Procurement of a DCRS recording machine for the Additional Court, with a three years maintenance agreement period ending 30 June 2018	Legal Advisor (Additional Court): Noble C	Dimension Data (PT) LTD	R	105,569.84	R	14,779.78	R	120,349.62
68	SCD2806	2015/05/06	2015/05/04 (Updated 2015/05/05)	2015/05/08	Clause 36(1)(a)(v)	11	Supply Chain Management Policy: The Provision of Professional Services for the establishment of market-related remuneration for top management	Director: Management Services, Arison D	Work Dynamics (Pty) Ltd	R	20,650.00	R	2,891.00	R	23,541.00
69	SCD2807	2015/05/07	2015/05/07	2015/05/08	Clause 36(1)(a)(i)&(ii)	11	The payment of emergency fire fighting services for the period covering 28/02/2015 to 28/03/2015 as the magnitude of situation exceeded the municipality's own resources.	Chief: Fire Officer, Smith L	FFA Aviation (PTY) LTD	R	1,031,148.01	R	144,360.70	R	1,175,508.71
70	SCD2808	2015/05/27	2015/05/20 (Updated 2015/05/25)	2015/05/29	Clause 36(1)(a)(v)	11	Credits for a postage franking machine for Hermanus Administration	Manager: Council Support Services, Van Tonder H	Earlyworx 282 (Pty) Ltd	R	29,824.56	R	4,175.44	R	34,000.00
71	SCD2809	2015/05/28	2015/05/28	2015/05/29	Clause 36(1)(a)(v)	11	Attending of a seminar on Municipal Finance: Good Governance by eight municipal official	Deputy Director: Finance, Le Roux C	IMFO (Institute of Municipal Finance Officers)	R	11,831.58	R	1,656.42	R	13,488.00
72	SCD2810	2015/05/19	2015/05/19	2015/05/20	Clause 36(1)(a)(i)&(ii)	11	The payment of the working on fire ground teams utilized in the fire	Chief: Fire Officer, Smith L	FFA Operations (Pty) Ltd	R	25,650.51	R	3,591.09	R	29,241.60
73	SCD2811	2015/05/19	2015/05/19	2015/05/20	Clause 36(1)(a)(v)	11	Procurement of two multifunctional office machines, which have been used by the municipality for the past three years through a monthly lease agreement, from an authorised distributor of Xerox machine	Senior Business Analyst: Van Asperen J	Cape Office Machines (Pty) Ltd	R	13,865.04	R	1,941.11	R	15,806.15
74	SCD2812	2015/05/27	2015/05/20 (Updated 2015/05/27)	2015/05/29	Clause 36(1)(a)(v)	11	Repair of the provograph meters, which is used for monitoring the power quality on the utility networks	Senior Superintendent: Electro technical Services, Lourens DC	CT LAB (Pty) Ltd	R	6,854.00	R	959.56	R	7,813.56
75	SCD2813	2015/06/02	2015/05/25 (Updated 2015/06/02)	2015/06/04	Clause 36(1)(a)(v)	12	Reconfiguration of all electrical metering due to the new tariff structure announce by Eskom as from 1 July 2015 and the auditing of all meters.	Senior Manager: Electrical Services, Du Plessis JH	PJ Technologies - Cape CC	R	23,532.00	R	3,294.48	R	26,826.48
76	SCD2814	2015/06/09	2015/05/13 (Updated 2015/06/08)	2015/06/09	Clause 36(1)(a)(ii)	12	The evaluation and grading of Kleinmond Beach in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Senior Manager: Kleinmond, Lakey D	WESSA	R	20,000.00	R	2,800.00	R	22,800.00
77	SCD2815	2015/06/09	2015/06/05 (Updated 2015/06/05)	2015/06/09	Clause 36(1)(a)(v)	12	Repair of the robot in Voelklip, to insure the safety of the road users and pedestrians	Chief: Traffic Services, Fraser R	Traffic Management Technologies	R	58,474.50	R	8,186.43	R	66,660.93
78	SCD2816	2015/06/03	2015/05/29 (Updated 2015/06/01)	2015/06/03	Clause 36(1)(a)(v)	12	Repair of CEM 10226, that was damaged during the fire alarm and the servicing of the pump	Chief: Fire Officer, Smith L	Fire Raiders (Pty) Ltd	R	141,920.51	R	19,868.87	R	161,789.38
79	SCD2817	2015/06/04	2015/05/26 (Updated 2015/06/29)	2015/06/08	Clause 36(1)(a)(v)	12	SCOA technology upgrade and runtime maintenance	Senior Manager: Systems Development, Johnson C	Payday Software Systems (Pty)	R	20,158.85	R	2,822.24	R	22,981.09

80	SCD2818	2015/06/09	2015/05/13 (Updated 2015/06/08)	2015/06/09	Clause 36(1)(a)(ii)	12	The evaluation and grading of Grotto and Hawston Beach in terms of the Blue Flag status programme, by the sole organisation authorised by the International Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Acting Area Manager; Hermanus, Burger P	WESSA	R	40,000.00		R	5,600.00	R	45,600.00	
81	SCD2819	2015/06/03	2015/05/27 (Updated 2015/05/29)	2015/06/09	Clause 36(1)(a)(ii)	12	Replacement of 16 memcor ultra filtration membranes at the water treatment plant in Pearly Beach by the sole distributor of memcor membranes Quality Filtration Systems CC	Manager: Operational, De Villiers J	Quality Filtration System CC	R	399,318.24		R	55,904.55	R	455,222.79	
82	SCD2820	2015/06/22	2015/06/11 (Updated 2015/06/17)	2015/06/22	Clause 36(1)(a)(v)	12	Provision of a workshop on Preferential Procurement; by a specialist Supply Chain Management and Local Economic Development.	Director: LED, Madikane S	Braska Consulting (Pty) Ltd	R	4,844.74		R	678.26	R	5,523.00	
83	SCD2821	2015/06/23	2015/06/02 (Updated 2015/06/18)	2015/06/25	Clause 36(1)(a)(v)	12	The annual review of the municipality's long term financial plan for a contract period ending 30 June 2018, by the original developer of the financial plan.	Deputy Director: Finance; le Roux C	INCA Portfolio Managers (Pty) Ltd	R	191,016.00		R	26,742.24	R	217,758.24	
84	SCD2822	2015/06/25	2015/06/02 (Updated 2015/06/24)	2015/06/30	Clause 36(1)(a)(i)(a)(ii)&(ii)	12	Working on fire ground teams in Kleinmond (17/02/2015) and Standford (22/02/2015)	Chief: Fire Officer, Smith L	IFA Operations (PTY) LTD	R	8,458.74		R	1,184.22	R	9,642.96	
85	SCD2823	2015/06/30	2015/06/26	2015/06/30	Clause 36(1)(a)(i)(a)(iii)	12	Locating of the fault on the MV cable by Caltest CC and then informing the municipality to repair the fault	Senior Manager: Electro Technical Services , Du Plessis JH	Caltest CC via Protection Testing	R	6,001.50		R	840.21	R	6,841.71	
86	SCD2824	2015/06/25	2015/05/03 (Updated 2015/06/24)	2015/06/30	Clause 36(1)(a)(i)(a)(ii)&(ii)	12	Hiring of Helicopter for Kleinmond (08/02/2015)	Chief: Fire Officer, Smith L	IFA Aviation (PTY) LTD	R	27,492.36		R	3,848.93	R	31,341.29	
										R	5,136,360.65	R	125,000.00	R	739,018.82	R	5,991,568.56

SUPPLY CHAIN MANAGEMENT						
Awards to close family members of persons in the service of the state in excess of R2,000 - 2014/2015 financial year in terms of Clause 45 of the policy						
Cred No	Supplier Number	Code	Relationship	Person in the Service of the State	Creditor Name	Total
G91253	21	SS03	CHILD	DCC JACKSON	ADENCO CONSTRUCTION (PTY) LTD	R 7,991,039.60
G91253	21	SS03	PARENT	HV MACHIMANA	ADENCO CONSTRUCTION (PTY) LTD	
H000087	21	SS03	PARENT	HV MACHIMANA	ADENCO CONSTRUCTION (PTY) LTD	
H000087	21	SS03	PARENT	DCC JACKSON	ADENCO CONSTRUCTION (PTY) LTD	R 2,805,707.85
H90539	3429	SS12	FAMILY	P BURGER	AIR FREEZE (PTY) LTD	R 378,239.58
H96139	3479	SS02	CHILD	C LOURENS	AJ DIENSTE	R 9,914.49
H96139	3479	SS02	INLAW	A LOURENS	AJ DIENSTE	
H94586	1688	SS01	SPOUSE	H FORTUNE	AJ MOTOR TRIMMERS	R 28,360.00
H91262	180	SS01	SPOUSE	E ARENDSE	ARENDSE RW	R 464,932.30
H93791	280	SS05	BROTHER	ZE KHOSA	AURECON SOUTH AFRICA (PTY) LTD	R 2,525,853.15
H93791	280	SS02	CHILD	N GELDENHUYS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS02	CHILD	T GOVENDER	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS10	Cousin	M NTSEBEZA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS10	Cousin	N NTSEBEZA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS12	FAMILY	E HERHOLDT	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	AN VAN TAAK	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	INLAW	M VAN RENSBURG	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	B ALHEIT	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	CJ BARRY	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	J BLACKMORE	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	T BOTHA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	JJJ DANIELS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	HG ESTERHUYSEN	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	SM GROBBELAAR	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	B GROENEWALD	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	CP HERBST	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	A HEYNS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	B KLEYNHANS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	Kriegler, BJ Cr	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	Mehlala, RT	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	AJ MOORE	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	Ntsebeza, NH	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	Pretorius, PS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	JM ROBERTSON	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	R TEBANE	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	PC Vermeulen	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS03	PARENT	J WILKINS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS06	SISTER	DR Y GOGA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS12	SISTER	S SEEGER	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	HC AHLISCHLAGER	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	CMM BARNARD	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	PROF CJG BENDER	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	MC DUNGA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	WZ ERASMUS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	N GROBBELAAR	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	JH HIGGS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	A HOUGAARD	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	J JACOBS	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	T KHOLOANYANE	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	M MARQUES	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	K NADASEN	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	D NTSEBEZA	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	SM O' CONNELL	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	JH RIEKERT	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	J THERON	AURECON SOUTH AFRICA (PTY) LTD	
H93791	280	SS01	SPOUSE	J TREDUX	AURECON SOUTH AFRICA (PTY) LTD	

H93791	280	SS01	SPOUSE	ZC VENTER	AURECON SOUTH AFRICA (PTY) LTD		
H93791	280	SS01	SPOUSE	NS WOLMARANS	AURECON SOUTH AFRICA (PTY) LTD		
H93791	280	SS07	UNCLE	D MAYEKISO	AURECON SOUTH AFRICA (PTY) LTD		
H93791	280	SS01	SPOUSE	DR M SKEAD	AURECON SOUTH AFRICA (PTY) LTD		
H95571	2709	SS07	UNCLE	JC DE VILLE	AUTO REPAIRS	R	2,930.00
G000156	2008	SS02	CHILD	S BARNARD	BAY DISCOUNT FURNISHERS-GANSBAAI CC - CL	R	3,334.01
G93483	2253	SS03	PARENT	JJ ENGEL	BESTER M	R	31,500.00
H90418	738	SS01	SPOUSE	E GROENEWALD	BOLAND VALUERS	R	487,095.41
K90302	1109	SS05	BROTHER	W CARELSE	CARELSE EG	R	423,811.22
H95668	2853	SS01	SPOUSE	BA SWARTZ	CATIZA TRAINING AND SKILLS DEVELOPMENT C	R	11,610.00
H91694	916	SS10	COUSIN	D WHITING	CELESTE CATERING	R	800.00
K900206	897	SS12	FAMILY	F BARRY	COERT NV	R	31,300.00
K900206	897	SS12	FAMILY	D BARRY	COERT NV		
G000205	142	SS01	SPOUSE	N MOODLEY	CONLOG (PTY) LTD	R	63,840.46
G000206	142	SS01	SPOUSE	TN GOXENI	CONLOG (PTY) LTD		
H94676	1806	SS01	SPOUSE	C CORNELIUS	CORNELIUS M	R	10,200.00
H94676	1806	SS01	INLAW	B CORNELIUS	CORNELIUS M		
G93568	2958	SS01	SPOUSE	J BOOKER	CRAZEE DESIGN & PRINTING	R	5,445.00
H95342	2483	SS03	PARENT	JP GREY	CUPINC HERMANUS (PTY) LTD CUPBOARDS INC	R	5,722.41
G004085	1510	SS03	PARENT	JC VERMEULEN	D & J VERVOER	R	90,316.41
H94801	1832	SS03	PARENT	L ADONIS	DJ MAGIC	R	1,500.00
G93496	2326	SS04	INLAW	R DICKSON	DREYER BA	R	1,250.00
G93496	2326	SS04	INLAW	M DICKSON	DREYER BA		
H95614	2770	SS02	CHILD	B DU PLESSIS	DU PLESSIS AA (ANGIES CATERING)	R	17,375.00
H91750	477	SS04	INLAW	G COETZEE	DU PLESSIS SW	R	471,467.10
H95752	3004	SS01	SPOUSE	S MARLIE	DU CO INDUSTRIAL (PTY) LTD	R	193,480.80
H95752	3004	SS01	SPOUSE	M MARLIE	DU CO INDUSTRIAL (PTY) LTD		
H90203	1843	SS05	BROTHER	L HENEKE	ELEANOR'S CATERING SERVICE	R	55,620.00
H93338	266	SS01	SPOUSE	C ENGELBRECHT	ENGELBRECHT & SCORGIE TEKENKANTOOR BK	R	198,169.24
G93221	688	SS12	FAMILY	LOUIS JANTJIES	EUROPA E (ELSA KONSTRUKSIE)	R	31,650.00
G93221	688	SS12	FAMILY	DOLF JUMAT	EUROPA E (ELSA KONSTRUKSIE)		
G93221	688	SS12	FAMILY	K JUMAT	EUROPA E (ELSA KONSTRUKSIE)		
K900574	1769	SS05	BROTHER	A FLORIS	FLORIS SM	R	1,600.00
H95374	2523	SS01	SPOUSE	M BAARDMAN	GATEWAY PAVERS CC	R	27,000.00
H900209	35	SS05	BROTHER	MB HAQ	GIBB (PTY) LTD (ARCUS GIBB)	R	615,753.81
H900209	35	SS03	DAUGHTER	BT SEPTEMBER	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	DAUGHTER	TL SEPTEMBER	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	PARENT	L PILLAY	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	PARENT	N PILLAY	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	PARENT	K PILLAY	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	PARENT	P PILLAY	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS03	PARENT	D KIEWIET	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	A MOON	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	L STOLWORTHY	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	C DE BEER	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	N MKHIZE	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	J MARE	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	N MZAYIYA	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	J GOOCH	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	U LEKONYANA	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	K NAIDOO	GIBB (PTY) LTD (ARCUS GIBB)		
H900209	35	SS01	SPOUSE	K SINGH	GIBB (PTY) LTD (ARCUS GIBB)		
G93456	2116	SS02	CHILD	CH GROBLER	GROBLER JS	R	5,970.00
G93569	2997	SS12	FAMILY	D PEDRO	HANSEN D	R	8,850.00
H93257	223	SS01	SPOUSE	EC SPANDIEL	HENRY MOSES SPANDIEL PROJECTS	R	161,178.30
S90161	223	SS01	SPOUSE	EC SPANDIEL	HENRY MOSES SPANDIEL PROJECTS	R	202,590.13
H95687	2873	SS01	SPOUSE	K VAN DER MERWE	HERMANUS POWER VENTURE (PTY) LTD	R	7,325.00
H91522	637	SS01	INLAW	K VAN DER MERWE	HERMANUS TOWING	R	30,970.88
H94446	1530	SS01	SPOUSE	SFA DAVIDS	IKAPA RETICULATION & FLOW	R	1,560,028.10
H92073	2867	SS02	CHILD	A JOHNSON	JAHWU HIRING	R	1,375.00
H92073	2867	SS02	CHILD	N CUPIDO	JAHWU HIRING		
H92073	2867	SS02	CHILD	G CUPIDO	JAHWU HIRING		

H90810	1634	SS02	CHILD	Z JANNECKE	JANNECKE ONTBOSSING	R	56,007.76
H91662	593	SS01	SPOUSE	M JORDAAN	JORDAAN BJ	R	8,690.00
H94162	1036	SS09	AUNT	C FORTUIN	JUDITH'S CATERING	R	2,400.00
K91254	1569	SS05	BROTHER	W KARELSE	KARELSE G (GLENWAN KARELSE CLEANING SERVICE)	R	392,127.60
H000407	904	SS01	SPOUSE	JJ DU TOIT	KEMANZI (PTY) LTD	R	1,180,881.54
H95754	2969	SS10	COUSIN	N KOPOLO	LAYZO EVENTS MANAGEMENT AND ENTERTAINMEN	R	14,200.00
H95612	2765	SS12	FAMILY	DEON BANIES	LOUW N	R	37,966.94
H95612	2765	SS12	SISTER	E HENDRIKS	LOUW N		
H95894	3139	SS12	FAMILY	R WILDSCHUT	MANTIBASE (PTY) LTD	R	12,760.00
H95894	3139	SS12	FAMILY	E FISHER	MANTIBASE (PTY) LTD		
H90125	684	SS01	SPOUSE	R STEENEKAMP	MAXITEC	R	146,915.00
G004643	1908	SS04	INLAW	F SHERIFF	MIGGELS D	R	21,300.00
H95726	2937	SS03	PARENT	J MITCHELL (JNR)	MITCHELL J	R	6,220.00
H91744	1338	SS02	CHILD	DE WET NEL	NEL MM	R	300.00
G004348	1338	SS01	SPOUSE	JG NE	NEL MM	R	6,245.00
H95741	2959	SS01	SPOUSE	A COETZEE	NUMQUE 20 CC	R	315,073.94
H95351	2490	SS04	INLAW	W MAY	OVERSTRAND LOCKSMIT	R	995.00
H95351	2490	SS04	INLAW	C SWARTS	OVERSTRAND LOCKSMIT		
H95065	2168	SS06	SISTER	L CAROLISSEN	OVERSTRAND TOURS CC	R	2,600.00
H91494	77	SS05	BROTHER	J STENEVELDT	OVERSTRAND TRAINING INSTITUTE	R	22,980.00
H91494	77	SS02	CHILD	GL BUCCHIANERI	OVERSTRAND TRAINING INSTITUTE		
H91494	77	SS02	CHILD	AF BUCCHIANERI	OVERSTRAND TRAINING INSTITUTE		
H91494	77	SS04	INLAW	G BUCCHIANERI	OVERSTRAND TRAINING INSTITUTE		
H91494	77	SS04	INLAW	VO BUCCHIANERI	OVERSTRAND TRAINING INSTITUTE		
H91494	77	SS03	PARENT	H STENEVELDT	OVERSTRAND TRAINING INSTITUTE		
G91294	1677	SS04	INLAW	F PHILANDER	PHILANDER A	R	2,000.00
H94051	877	SS03	PARENT	B SKOSANA	POWERREC (PTY) LTD	R	111,110.10
H95172	2293	SS01	SPOUSE	C HECTOR	PREMISES	R	133,707.09
H93950	623	SS01	SPOUSE	H VAN TONDER	QUINTESSENTIAL SECURITY CC	R	3,111,904.71
H93980	693	SS02	CHILD	D RHODE	RHODE BROS STEEL PROJECTS CC	R	22,230.00
H93901	546	SS01	SPOUSE	RM GOLTZ	SAFETECH	R	43,450.01
H94673	1800	SS01	INLAW	D BRAND	SALES A	R	159,965.72
H94673	1800	SS01	SPOUSE	E SALES	SALES A		
G93173	1397	SS01	SPOUSE	M SWART	SWART JI	R	5,500.00
K94533	2322	SS02	CHILD	C C SWARTZ	SWARTZ L	R	7,490.00
H95838	3079	SS06	SISTER	P PAUL	THELMA'S CLEANING SERVICE	R	16,500.00
H94126	1020	SS01	SPOUSE	MRS SIPOYO	TOTAL CLIENT SERVICES LIMITED	R	16,580.41
H95663	2848	SS10	COUSIN	G MATINKA	TWENTY FOUR SEVEN DELIVERIES & BUILDING	R	6,400.00
H95562	2704	SS02	CHILD	JP VAN DEVENTER	UYLENVLEI RETREAT	R	3,750.00
H95774	3001	SS01	SPOUSE	AW PONI	VERA & SONS	R	9,150.00
H91182	585	SS01	SPOUSE	J WILLIAMS	WALLY'S PANELBEATERS	R	33,406.57
G004306	1277	SS02	CHILD	JGF KRIEL	WILLOUCON CC - CLOSED BY OWNER	R	5,589.03
G93495	2324	SS03	PARENT	P WINDVOEL	WINDVOEL PJH	R	9,500.00
G93495	2324	SS03	PARENT	A WINDVOEL	WINDVOEL PJH		

Total:

R 24,891,001.67

Appendix A

June 2015

Schedule of external loans as at 30 June 2015

	Loan Number	Redeemable	Balance at 30 June 2014	Received during the period	Redeemed written off during the period	Balance at 30 June 2015
			Rand	Rand	Rand	Rand
Development Bank of South Africa						
DBSA @ 7.894%	13535/102	2020	1,884,584	-	314,098	1,570,486
DBSA @ 7.894%	13543/101	2019	1,641,689	-	273,614	1,368,075
DBSA @ 7.594%	13761/101	2020	1,694,838	-	260,744	1,434,094
DBSA @ 12.00%	10450/102	2017	400,169	-	118,204	281,965
DBSA @ 9.86%	102169/1	2022	11,949,123	-	1,041,852	10,907,271
DBSA @ 10.92%	103946/1	2026	48,000,000	-	4,000,000	44,000,000
DBSA @ 10.60%	103946/2	2026	100,000,000	-	-	100,000,000
			165,570,403	-	6,008,512	159,561,891
Lease liability						
SHARP @ 15.07%		2014	-	-	-	-
NASHUA @ 9.00%		2014	-	-	-	-
CAPE OFFICE @ 16.37%		2015	62,622	-	62,622	-
SHARP @ 13.74%		2014	-	-	-	-
TRACKTONE @ 13.52%		2017	-	164,925	24,503	140,422
			62,622	164,925	87,125	140,422
Annuity loans						
ABSA @ 10.38%	3029589816	2024	58,384,591	-	3,286,256	55,098,335
ABSA @ 10.44%	4073054262	2024	32,634,994	-	1,980,297	30,654,697
ABSA @ 10.82%	4073923493	2024	34,449,986	-	2,050,873	32,399,113
ABSA @ 7.92%	2879000653	2020	6,217,157	-	846,072	5,371,085
ABSA @ 9.11%	2879000652	2028	30,645,705	-	1,152,528	29,493,177
ABSA @ 10.94%	0387230984	2029	39,900,000	-	1,140,125	38,759,875
ABSA @ 9.69%	0387230985	2021	1,400,000	-	147,974	1,252,026
ABSA @ 9.95%	0387230986	2030	-	34,800,000	-	34,800,000
ABSA @ 9.30%	0387230987	2022	-	5,200,000	-	5,200,000
INCA @ 10.09%		2022	43,621,657	-	3,768,276	39,853,381
			247,254,090	40,000,000	14,372,401	272,881,689
Total external loans						
Development Bank of South Africa			165,570,403	-	6,008,512	159,561,891
Lease liability			62,622	164,925	87,125	140,422
Annuity loans			247,254,090	40,000,000	14,372,401	272,881,689
			412,887,115	40,164,925	20,468,038	432,584,002



Appendix B

June 2015

Analysis of property, plant and equipment as at 30 June 2015 Cost/Revaluation Accumulated depreciation

	Opening Balance		Additions		Disposals		Transfers		Revaluations		Fair value adjustment		Closing Balance		Opening Balance		Disposals		Transfers		Depreciation		Impairment loss		Closing Balance		Carrying value	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Land and buildings																												
Land (Separate for AFS purposes)																												
Buildings (Separate for AFS purposes)	355,127,928		645,510		(3,034,727)		(1,594,195)		-		351,144,516		(425,208)		-		-		-		-		-		(425,208)		350,719,308	
	136,543,587		994,891		(695,000)		311,878		-		137,155,356		(27,006,096)		231,667		(5,652,999)		-		-		-		(32,427,428)		104,727,928	
	491,671,515		1,640,401		(3,729,727)		(1,282,317)		-		488,299,872		(27,431,304)		231,667		(5,652,999)		-		-		-		(32,852,636)		455,447,236	
Infrastructure																												
Roads, Pavements & Bridges	1,723,721,920		15,044,402		(2,470,706)		-		-		1,736,295,616		(865,350,185)		1,276,342		(28,575,705)		-		-		-		(892,649,548)		843,646,068	
Storm water	225,391,764		10,141,667		-		-		-		235,533,431		(141,494,924)		-		(2,398,457)		-		-		-		(143,893,381)		91,640,050	
Electricity	1,023,267,753		19,084,779		(6,183,949)		-		-		1,036,168,583		(403,343,157)		5,869,149		(19,586,529)		-		-		-		(2,585,281)		616,522,765	
Water	1,372,917,071		20,898,937		(433,695)		-		-		1,393,382,313		(912,963,447)		433,695		(18,914,594)		-		-		-		(173,764)		461,764,203	
Sewerage	713,653,045		20,858,744		(1,157,912)		-		-		733,353,877		(336,405,099)		1,157,912		(15,434,926)		-		-		-		(318,169)		382,353,595	
Solid waste disposal	63,788,686		9,183,367		-		-		-		72,972,053		(16,218,084)		-		(3,455,987)		-		-		-		(19,674,071)		53,297,982	
Security measures	12,233,321		1,000,591		-		-		-		13,233,912		(8,582,484)		-		(584,638)		-		-		-		(9,167,122)		4,066,790	
	5,134,973,560		96,212,487		(10,246,262)		-		-		5,220,939,785		2,684,357,380		8,737,098		(88,950,836)		-		-		-		(3,077,214)		2,767,648,332	
Community Assets																												
Recreational facilities	98,455,081		6,245,226		(1,000,000)		(311,878)		-		103,388,429		(35,640,724)		3,891		(2,982,987)		-		-		-		(38,619,820)		64,768,609	
	98,455,081		6,245,226		(1,000,000)		(311,878)		-		103,388,429		(35,640,724)		3,891		(2,982,987)		-		-		-		(38,619,820)		64,768,609	
Heritage assets																												
Conservation areas	107,906,535		-		(2,000,000)		-		-		105,906,535		(9,250,000)		-		-		-		-		-		(9,250,000)		96,656,535	
Mayoral chains	99,309		-		-		-		-		99,309		-		-		-		-		-		-		-		99,309	
Parks	817,200		-		-		-		-		817,200		-		-		-		-		-		-		-		817,200	
	108,823,044		-		(2,000,000)		-		-		106,823,044		(9,250,000)		-		-		-		-		-		(9,250,000)		97,573,044	
Other assets																												
General vehicles	60,551,959		3,718,400		(1,520,486)		-		-		62,749,873		(23,484,942)		1,228,558		(2,060,077)		-		-		-		(24,316,461)		38,433,412	
Furniture & Fittings	2,715,574		28,242		(533,233)		-		-		2,210,583		(1,746,697)		533,233		(215,985)		-		-		-		(1,429,449)		781,134	
Office Equipment	16,577,415		2,734,406		(22,237)		-		-		19,289,584		(9,244,282)		22,237		(2,828,821)		-		-		-		(12,050,866)		7,238,718	
Office Equipment - Leased	139,288		164,925		-		-		-		304,213		(48,287)		-		(64,694)		-		-		-		(112,981)		191,232	
	79,984,236		6,645,973		(2,075,956)		-		-		84,554,253		(34,524,208)		1,784,028		(5,169,577)		-		-		-		(37,909,757)		46,644,496	



Analysis of property, plant and equipment as at 30 June 2015

Accumulated depreciation

Cost/Revaluation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Fair value adjustment Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	491,671,515	1,640,401	(3,729,727)	(1,282,317)	-	-	488,299,872	(27,431,304)	231,667	-	(5,652,999)	-	(32,852,636)	455,447,236
Infrastructure	5,134,973,560	96,212,487	(10,246,262)	-	-	-	5,220,939,785	2,684,357,380	8,737,098	-	(88,950,836)	(3,077,214)	2,767,648,332	2,453,291,453
Community Assets	98,455,081	6,245,226	(1,000,000)	(311,878)	-	-	103,388,429	(35,640,724)	3,891	-	(2,982,987)	-	(38,619,820)	64,768,609
Heritage assets	108,823,044	-	(2,000,000)	-	-	-	106,823,044	(9,250,000)	-	-	-	-	(9,250,000)	97,573,044
Other assets	79,984,236	6,645,973	(2,075,956)	-	-	-	84,554,253	(34,524,208)	1,784,028	-	(5,169,577)	-	(37,909,757)	46,644,496
	5,913,907,436	110,744,087	(19,051,945)	(1,594,195)	-	-	6,004,005,383	2,791,203,616	10,756,684	-	(102,756,399)	(3,077,214)	2,886,280,545	3,117,724,838
Intangible assets														
Computers - software & programming	4,405,449	154,170	-	-	-	-	4,559,619	(1,545,443)	-	-	(611,702)	-	(2,157,145)	2,402,474
Water rights	2,360,000	-	-	-	-	-	2,360,000	-	-	-	-	-	-	2,360,000
	6,765,449	154,170	-	-	-	-	6,919,619	(1,545,443)	-	-	(611,702)	-	(2,157,145)	4,762,474
Investment properties														
Investment property	168,830,500	-	(4,300,000)	-	-	-	164,530,500	-	-	-	-	-	-	164,530,500
	168,830,500	-	(4,300,000)	-	-	-	164,530,500	-	-	-	-	-	-	164,530,500
Total														
Land and buildings	491,671,515	1,640,401	(3,729,727)	(1,282,317)	-	-	488,299,872	(27,431,304)	231,667	-	(5,652,999)	-	(32,852,636)	455,447,236
Infrastructure	5,134,973,560	96,212,487	(10,246,262)	-	-	-	5,220,939,785	2,684,357,380	8,737,098	-	(88,950,836)	(3,077,214)	2,767,648,332	2,453,291,453
Community Assets	98,455,081	6,245,226	(1,000,000)	(311,878)	-	-	103,388,429	(35,640,724)	3,891	-	(2,982,987)	-	(38,619,820)	64,768,609
Heritage assets	108,823,044	-	(2,000,000)	-	-	-	106,823,044	(9,250,000)	-	-	-	-	(9,250,000)	97,573,044
Other assets	79,984,236	6,645,973	(2,075,956)	-	-	-	84,554,253	(34,524,208)	1,784,028	-	(5,169,577)	-	(37,909,757)	46,644,496
Intangible assets	6,765,449	154,170	-	-	-	-	6,919,619	(1,545,443)	-	-	(611,702)	-	(2,157,145)	4,762,474
Investment properties	168,830,500	-	(4,300,000)	-	-	-	164,530,500	-	-	-	-	-	-	164,530,500
	6,089,503,385	110,898,257	(23,351,945)	(1,594,195)	-	-	6,170,685,502	2,792,748,059	10,756,684	-	(103,368,101)	(3,077,214)	2,888,437,690	3,282,247,812



Appendix C

June 2015

Segmental analysis of property, plant and equipment as at 30 June 2015 Cost/Revaluation

	Opening Balance Rand	Additions		Disposals	Transfers		Revaluations	Fair value adjustment Rand	Closing Balance Rand	Opening Balance Rand		Disposals	Transfers		Depreciation	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
		Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Municipality																		
Executive & Council/Mayor and Council	108,823,044	-	-	(2,000,000)	-	-	-	-	106,823,044	(9,250,000)	-	-	-	-	-	-	(9,250,000)	97,573,044
Planning and Development/Economic Development/Plan	168,830,500	-	-	(4,300,000)	-	-	-	(4,770,000)	159,760,500	-	-	-	-	-	-	-	-	159,760,500
Waste Management	1,002,833,494	40,183,777	(1,157,912)	(3,729,727)	(1,282,317)	-	-	-	1,041,859,359	(494,118,106)	1,157,912	-	-	-	(21,289,370)	(318,169)	(514,567,733)	527,291,626
Comm. & Social/Libraries and archives	491,671,515	1,640,401	-	-	-	-	-	-	488,299,872	(27,431,304)	231,667	-	-	-	(5,632,989)	-	(32,852,636)	455,447,236
Public Safety/Police	11,991,322	310,990	-	-	-	-	-	-	12,302,312	(8,582,484)	-	-	-	-	(536,288)	-	(9,118,722)	3,183,590
Sport and Recreation	98,455,081	6,245,228	(1,000,000)	-	(311,878)	-	-	-	103,388,429	(35,640,724)	3,891	-	-	-	(2,982,987)	-	(38,619,820)	64,768,609
Road Transport/Roads	15,044,402	15,044,402	(2,470,706)	-	-	-	-	-	1,736,295,616	(865,350,184)	1,276,342	-	-	-	(28,575,706)	-	(892,649,548)	843,646,068
Water/Water Distribution	1,723,721,920	20,898,937	(433,695)	-	-	-	-	-	1,393,382,313	(912,963,447)	259,931	-	-	-	(18,914,594)	-	(931,618,110)	461,764,203
Electricity /Electricity Distribution	1,372,917,071	19,084,779	(6,183,949)	-	-	-	-	-	1,036,168,581	(403,343,157)	3,283,868	-	-	-	(19,586,529)	-	(419,645,818)	616,522,763
Corporate Services	86,991,684	7,489,745	(2,075,957)	-	-	-	-	-	92,405,472	(36,063,649)	1,784,029	-	-	-	(5,829,679)	-	(40,115,299)	52,290,173
Total	6,089,503,382	110,898,257	(23,351,946)	(1,594,195)	(1,594,195)	-	-	(4,770,000)	6,170,685,498	2,792,749,055	7,997,640	-	-	-	(103,368,102)	(318,169)	2,888,437,686	3,282,247,812
Municipality																		
	6,089,503,382	110,898,257	(23,351,946)	(1,594,195)	(1,594,195)	-	-	(4,770,000)	6,170,685,498	2,792,749,055	7,997,640	-	-	-	(103,368,102)	(318,169)	2,888,437,686	3,282,247,812
	6,089,503,382	110,898,257	(23,351,946)	(1,594,195)	(1,594,195)	-	-	(4,770,000)	6,170,685,498	2,792,749,055	7,997,640	-	-	-	(103,368,102)	(318,169)	2,888,437,686	3,282,247,812



Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
42,354,898	92,666,609	(50,311,711)	Executive & Council/Mayor and Council	52,464,250	92,928,443	(40,464,193)
151,084,494	57,636,794	93,447,700	Finance & Admin/Finance	172,789,892	59,900,182	112,889,710
12,852,886	39,573,693	(26,720,807)	Planning and Development/Economic Development/Plan	11,963,618	39,942,840	(27,979,222)
6,280,564	64,256,538	(57,975,974)	Corporate Services	5,216,295	69,737,477	(64,521,182)
2,574,476	30,255,463	(27,680,987)	Comm. & Social/Libraries and archives	2,978,099	37,828,135	(34,850,036)
29,472,584	28,674,674	797,910	Housing	30,750,315	12,807,871	17,942,444
22,776,637	49,812,458	(27,035,821)	Public Safety/Police	31,190,518	58,438,169	(27,247,651)
11,486,197	18,641,787	(7,155,590)	Sport and Recreation	7,937,513	18,745,134	(10,807,621)
319,465	7,305,844	(6,986,379)	Environmental Protection/Pollution Control	18,917	6,715,264	(6,696,347)
65,168,836	64,661,599	507,237	Waste Water Management/Sewerage	76,682,947	67,772,331	8,910,616
17,789,913	92,659,133	(74,869,220)	Road Transport/Roads	8,001,485	93,834,513	(85,833,028)
96,079,836	99,444,614	(3,364,778)	Water/Water Distribution	109,580,993	87,472,242	22,108,751
270,572,986	247,852,118	22,720,868	Electricity /Electricity Distribution	288,744,780	271,352,285	17,392,495
53,083,788	36,535,950	16,547,838	Waste Management	60,955,041	102,944,948	(41,989,907)
781,897,560	929,977,274	(148,079,714)		859,274,663	1,020,419,834	(161,145,171)
Other charges						
-	(105,000,000)	105,000,000		-	(111,300,000)	111,300,000
-	(105,000,000)	105,000,000		-	(111,300,000)	111,300,000
781,897,560	929,977,274	(148,079,714)	Municipality	859,274,663	1,020,419,834	(161,145,171)
-	(105,000,000)	105,000,000	Other charges	-	(111,300,000)	111,300,000
781,897,560	824,977,274	(43,079,714)	Total	859,274,663	909,119,834	(49,845,171)

**Actual vs Budget (Revenue and Expenditure) for the period ended
30 June 2015**

	Current year 2015 Act. Bal.	Current year 2015 Adjusted budget	Variance		Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand	% Variance	
Revenue					
Property rates	152,870,212	153,508,614	(638,402)	(0.4)	Refer to note 54
Service charges	520,391,938	525,566,730	(5,174,792)	(1.0)	Refer to note 54
Rental of facilities and equipment	9,154,551	7,966,160	1,188,391	14.9	Refer to note 54
Income from agency services	2,766,122	2,479,500	286,622	11.6	Refer to note 54
Licences and permits	1,971,690	2,229,000	(257,310)	(11.5)	Refer to note 54
Property rates - penalties imposed	747,186	1,050,000	(302,814)	(28.8)	Refer to note 54
Public contributions and donations	2,823,925	2,051,000	772,925	37.7	Refer to note 54
Fines	25,389,497	30,875,000	(5,485,503)	(17.8)	Refer to note 54
Other income	20,332,537	16,832,640	3,499,897	20.8	Refer to note 54
Government grants and subsidies	115,970,498	116,786,763	(816,265)	(0.7)	Refer to note 54
Interest received - investments	5,189,120	3,000,000	2,189,120	73.0	Refer to note 54
Interest received - bank accounts	2,816,093	2,300,000	516,093	22.4	Refer to note 54
Interest received - consumer debtors	2,278,835	2,288,000	(9,165)	(0.4)	Refer to note 54
Interest received - other	138,651	866,250	(727,599)	(84.0)	Refer to note 54
	<u>862,840,855</u>	<u>867,799,657</u>	<u>(4,958,802)</u>	<u>(0.6)</u>	
Expenses					
Personnel	(267,019,165)	(275,716,631)	8,697,466	(3.2)	Refer to note 54
Remuneration of councillors	(8,103,625)	(8,515,532)	411,907	(4.8)	Refer to note 54
Depreciation	(102,642,936)	(105,461,097)	2,818,161	(2.7)	Refer to note 54
Amortisation	(725,166)	-	(725,166)	100.0	Refer to note 54
Impairments	(3,077,214)	-	(3,077,214)	100.0	Refer to note 54
Finance costs	(43,447,046)	(44,510,599)	1,063,553	(2.4)	Refer to note 54
Debt impairment	(10,846,067)	(22,792,000)	11,945,933	(52.4)	Refer to note 54
Materials	(16,659,118)	(17,105,156)	446,038	(2.6)	Refer to note 54
Bulk purchases	(167,659,838)	(169,444,224)	1,784,386	(1.1)	Refer to note 54
Contracted Services	(85,327,403)	(85,170,726)	(156,677)	0.2	Refer to note 54
Grants and subsidies paid	(48,658,945)	(41,577,455)	(7,081,490)	17.0	Refer to note 54
General Expenses	(156,906,352)	(163,028,917)	6,122,565	(3.8)	Refer to note 54
	<u>(911,072,875)</u>	<u>(933,322,337)</u>	<u>22,249,462</u>	<u>(2.4)</u>	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	1,953,041	100,000	1,853,041	1,853.0	Refer to note 54
Fair value adjustments	(3,566,195)	-	(3,566,195)	100.0	Refer to note 54
	<u>(1,613,154)</u>	<u>100,000</u>	<u>(1,713,154)</u>	<u>(1,713.2)</u>	
Net surplus/ (deficit) for the year	<u>(49,845,171)</u>	<u>(65,422,680)</u>	<u>15,577,506</u>	<u>(23.8)</u>	

Appendix E(2)

June 2015

Budget Analysis of Capital Expenditure as at 30 June 2015

	Capital expenditure Rand	Revised Budget Rand	Variance Rand	Variance %	Explanation of significant variances from budget
Municipality					
Waste Management	9,266,864	9,300,000	33,136	-	Refer to note 54
Comm. & Social/Libraries and archives	5,258,051	5,594,838	336,787	6	Refer to note 54
Housing	32,360,545	34,410,304	2,049,759	6	Refer to note 54
Sport and Recreation	1,565,370	2,616,370	1,051,000	40	Refer to note 54
Waste Water Management/Sewerage	13,220,881	13,402,519	181,638	1	Refer to note 54
Road Transport/Roads	6,300,255	6,300,254	(1)	-	Refer to note 54
Water/Water Distribution	16,275,016	16,384,323	109,307	1	Refer to note 54
Electricity /Electricity Distribution	13,681,710	17,000,000	3,318,290	20	Refer to note 54
Corporate Services	10,561,377	17,776,063	7,214,686	41	Refer to note 54
	108,490,069	122,784,671	14,294,602	12	

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2015

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total			
FMG	Nat Treasury	1,450	-	-	-	1,450	102	356	140	262	860	-	-	-	-	-	N/A	Yes	N/A
MSG	Nat Treasury	934	-	-	-	934	-	-	-	934	934	-	-	-	-	-	N/A	Yes	N/A
MIG	Nat Treasury	5,040	11,995	3,639	-	20,674	1,568	5,871	3,893	9,342	20,674	-	-	-	-	-	N/A	Yes	N/A
NDPG	Nat Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
RBIG	Nat Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
EPWP	PAWC	707	530	531	-	1,768	100	350	382	936	1,768	-	-	-	-	-	N/A	Yes	N/A
INEG	DME	2,000	-	-	-	2,000	-	676	506	818	2,000	-	-	-	-	-	N/A	Yes	N/A
Library	PAWC	3,211	1,060	1,061	-	5,332	898	2,587	504	1,343	5,332	-	-	-	-	-	N/A	Yes	N/A
Thusong service centre	PAWC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
Prov road subsidy	PAWC	-	-	83	-	83	-	-	97	-	97	-	-	-	-	-	N/A	Yes	N/A
HCE	PAWC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
Social housing	PAWC	5,678	5,811	15,585	1,603	28,677	-	8,343	11,699	10,330	30,372	-	-	-	-	-	N/A	Yes	N/A
Mobility strategy	PAWC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
PTI	PAWC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
Sport and recreation	PAWC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
CDW	PAWC	-	52	18	-	70	10	22	21	17	70	-	-	-	-	-	N/A	Yes	N/A
FMSG	Nat Treasury	-	-	515	-	515	-	245	59	243	547	-	-	-	-	-	N/A	Yes	N/A
Disaster recovery	PAWC	-	-	1,272	-	1,272	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
Greenest town competition	PAWC	-	-	-	-	-	-	-	-	38	38	-	-	-	-	-	N/A	Yes	N/A
		19,020	19,448	22,704	1,603	62,775	2,678	18,450	17,301	24,263	62,692	-	-	-	-	-			

Note: Above values are presented to the nearest R'000.

